

common stock and the New Comcast Class A Special common stock have been approved for listing on The Nasdaq Stock Market and will trade under the ticker symbols "CMCSA" and "CMCSK", respectively. The descriptions of such classes of New Comcast common stock contained under the caption "Description of AT&T Comcast Capital Stock" in the joint proxy statement/prospectus referred to above is incorporated by reference herein.

Old Comcast Class A common stock and Old Comcast Class A Special common stock were registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and listed on The Nasdaq Stock Market. In reliance on Rule 12g-3(d) of the Exchange Act, New Comcast Class A common stock and New Comcast Class A Special common stock are deemed registered under Section 12(g) of the Exchange Act. Old Comcast is delisting the Old Comcast Class A common stock and Old Comcast Class A Special common stock from The Nasdaq Stock Market and filing a Form 15 with the SEC to terminate the registration under the Exchange Act of the Old Comcast Class A Common Stock and the Old Comcast Class A Special Common Stock.

Item 5. Other Events.

Approval of Federal Communications Commission

On November 13, 2002, the Federal Communications Commission (the "FCC") gave conditional approval to the transfer of certain FCC licenses required to complete the transactions described above. The Memorandum Opinion and Order issued by the FCC ordered AT&T and Old Comcast to place AT&T Broadband's interest in Time Warner Entertainment, L.P. ("TWE") into irrevocable trust prior to completion of the transaction and to fully divest the TWE interest within five-and-a-half years after completion of the transaction. Until TWE is divested, the order prohibits New Comcast from any involvement in the video programming activities of TWE and also other cable systems in which TWE and New Comcast both have interests. Copies of the trust agreements pursuant to which AT&T Broadband's TWE interest will be placed into irrevocable trust are attached as exhibits hereto and incorporated by reference herein.

Adoption of Stockholder Rights Plan

On November 18, 2002, pursuant to the Merger Agreement, New Comcast adopted a shareholder rights plan. To implement the plan, the New Comcast Board declared a dividend of one preferred stock purchase right (a

"Right") on each share of each class of New Comcast common stock outstanding as of 3:40 p.m., New York City time, on November 18, 2002. A description of the shareholder rights plan is included in the registration statement on Form 8-A filed by New Comcast on the date hereof to register the Rights under the Exchange Act.

Repayment of Intracompany Debt

In connection with the closing of the transaction described above in Item 2, AT&T Broadband repaid all intercompany debt owed by AT&T's broadband business to AT&T's communications business. AT&T Broadband effected this repayment by making a cash payment to AT&T in an amount equal to approximately \$5.85 billion and by issuing approximately \$3.51 billion in debt to retire existing AT&T debt. The cash payment referred to in the preceding sentence reflected certain adjustments and was made with the proceeds of (i) a borrowing by AT&T Broadband of \$4 billion under a bridge loan facility dated April 26, 2002 among AT&T Broadband, New Comcast, the lenders party thereto and JPMorgan Chase Bank, as Administrative Agent, and (ii) a borrowing by AT&T Broadband of \$2.5 billion under a credit agreement dated April 26, 2002 among AT&T Broadband, New Comcast, the lenders party thereto and JPMorgan Chase Bank, as Administrative Agent. The retirement of existing AT&T debt by AT&T Broadband referred to above resulted from a recently completed debt exchange offer pursuant to which AT&T Broadband issued debt guaranteed by New Comcast and certain of its cable subsidiaries in an aggregate principal amount of approximately \$3.51 billion consisting of approximately \$2.43 billion of 8.375% Notes Due 2013 and approximately \$1.08 billion of 9.455% Notes Due 2022.

Name Changes

Promptly after completion of the transaction described above, Old Comcast amended its articles of incorporation to change its name from "Comcast Corporation" to "Comcast Holdings Corporation" and New Comcast amended its articles of incorporation to change its name from "AT&T Comcast Corporation" to "Comcast Corporation".

Amendments to Transaction Agreements

On November 18, 2002, the Merger Agreement (including the Amended and Restated Articles of Incorporation of New Comcast) and the Separation and Distribution Agreement dated as of December 19, 2001, as amended (the "Separation and Distribution Agreement"), between AT&T and AT&T Broadband were amended in certain technical respects. Composite copies of the Merger Agreement, the Amended and Restated Articles of Incorporation of New Comcast and the Separation and Distribution Agreement reflecting these technical amendments are attached hereto and are incorporated by reference herein.

New Comcast Board of Directors

The New Comcast board of directors consists of five (5) directors who prior to completion of the transaction were members of the AT&T board of directors, five (5) directors who prior to completion of the transaction were members of the Old Comcast board of directors and two (2) directors jointly designated by Old Comcast and AT&T who previously were not members of either company's board of directors.

The five (5) Old Comcast directors designated to the New Comcast board of directors are S. Decker Anstrom, Sheldon M. Bonovitz, Julian A. Brodsky, Brian L. Roberts and Ralph J. Roberts. Information regarding these individuals is contained under the caption "Proposal One - Election of Directors" in the proxy statement filed on April 30, 2002 by Old Comcast and is incorporated by reference herein.

The five (5) AT&T directors designated to the New Comcast board of directors are C. Michael Armstrong, J. Michael Cook, George M.C. Fisher, Louis A. Simpson and Michael I. Sovern. Information regarding these individuals is contained under the caption "Information About the AT&T Annual Meeting and Voting - The AT&T Board" in the joint proxy statement/prospectus relating to the transaction and is incorporated by reference herein.

The two (2) additional directors designated to the New Comcast board of directors are Kenneth J. Bacon and Dr. Judith Rodin.

Kenneth J. Bacon, 48, has been Senior Vice President of multifamily lending and investment for Fannie Mae since 2000 where he manages all aspects of Fannie Mae's \$109 billion multifamily lending and investment portfolio. Prior to joining Fannie Mae in 1993, he was director of the Office of Securitization of the Resolution Trust

Corporation. Mr. Bacon also spent eight years on Wall Street with Kidder Peabody & Co. and Morgan Stanley & Co. as an officer. Mr. Bacon is currently a director of the Fannie Mae Foundation and the National Equity Fund, a member of the Board of Trustees for Stanford University and the National Finance Committee Chairman for Communities in Schools. Mr. Bacon is also a member of the Real Estate Roundtable, Executive Leadership Council and the Urban Land Institute.

Dr. Judith Rodin, 58, has been President of the University of Pennsylvania, as well as a professor of psychology and of medicine and psychiatry at the university, since 1994. She was Provost of Yale University from 1992 to 1994. She held various professorial and other positions at Yale from 1972 to 1994, including Dean of the Graduate School of Arts and Sciences and Chair of the Department of Psychology. She is currently a director of Electronic Data Systems Corp., AMR Corporation, AETNA, Inc. and BlackRock, Inc.

Item 7.

(a) Financial Statements of Business Acquired.

Financial statement information will be filed by amendment to this Current Report.

(b) Pro Forma Financial Information.

Pro forma financial information will be filed by amendment to this Current Report.

(c) Exhibits.

Exhibit 2.1 Composite copy of Agreement and Plan of Merger Agreement dated as of December 19, 2001, as amended, among Comcast Holdings Corporation (formerly named Comcast Corporation), AT&T Corp., AT&T Broadband Corp., Comcast Corporation (formerly named AT&T Comcast Corporation) and the other parties signatory thereto.

Exhibit 2.2 Composite copy of Amended and Restated Articles of Incorporation of Comcast Corporation (formerly named AT&T Comcast Corporation).

Exhibit 2.3 Composite copy of Separation and Distribution Agreement dated as of December 19, 2001, as amended, between AT&T Corp. and AT&T Broadband Corp.

Exhibit 99.1 Press Release dated November 18, 2002.

Exhibit 99.2 Agreement and Declaration of Trust of TWE Holdings I Trust by and among MOC Holdco I, Inc., Edith E. Holiday and The Capital Trust Company of Delaware.

Exhibit 99.3 Form of Agreement and Declaration of Trust of TWE Holdings II Trust by and among MOC Holdco II, Inc., Edith E. Holiday and The Capital Trust Company of Delaware.

Exhibit 99.4 Agreement and Declaration of Trust of TWE Holdings III Trust by and among Media One TWE Holdings, Inc., Edith E. Holiday and The Capital Trust Company of Delaware.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Comcast Corporation
(formerly named AT&T Comcast Corporation)

Date: November 18, 2002

By: /s/ Arthur R. Block

Name: Arthur R. Block
Title: Senior Vice President,
Secretary and Assistant
Treasurer

AGREEMENT AND PLAN OF MERGER
 dated as of
 December 19, 2001
 by and among
 AT&T CORP.,
 AT&T BROADBAND CORP.,
 COMCAST CORPORATION,
 AT&T BROADBAND ACQUISITION CORP.,
 COMCAST ACQUISITION CORP.
 and
 AT&T COMCAST CORPORATION

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- Exhibit B - Form of Rule 145 Affiliate Letter
- Exhibit C - Form of Separation and Distribution Agreement
- Exhibit D-1 - Form of Parent Charter (Preferred Structure)
- Exhibit D-2 - Term Sheet for Parent Charter (Alternative Structure)
- Exhibit D-3 - Form of Parent Bylaws Exhibit D-4 - Form of Comcast
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- Exhibit E - AT&T Broadband Financial Statements (12/31/00 and 9/30/01)
- Exhibit F - Admission Agreement AT&T Disclosure Schedule Comcast
Disclosure Schedule

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of December 19, 2001, by and among AT&T Corp., a New York corporation ("AT&T"), AT&T Broadband Corp., a Delaware corporation and a wholly owned subsidiary of AT&T ("AT&T Broadband"), Comcast Corporation, a Pennsylvania corporation ("Comcast"), AT&T Comcast Corporation, a Pennsylvania corporation ("Parent"), AT&T Broadband Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("AT&T Broadband Merger Sub"), and Comcast Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of Parent ("Comcast Merger Sub").

WHEREAS, AT&T Broadband is a newly formed wholly owned subsidiary of AT&T that will hold, directly or indirectly, all of the assets and liabilities of the AT&T Broadband Group in accordance with the terms and conditions of the Separation and Distribution Agreement (as defined below);

WHEREAS, the Boards of Directors of AT&T, AT&T Broadband and Comcast and each of the other parties hereto have approved this Agreement and deem it advisable and in the best interests of their respective shareholders to consummate the transactions contemplated hereby on the terms and conditions set forth herein;

WHEREAS, immediately prior to the execution and delivery of this Agreement, as a condition and inducement to AT&T's willingness to enter into this Agreement, each of Sural LLC ("Comcast Shareholder"), Mr. Brian L. Roberts, Comcast and Parent has executed and delivered to AT&T the Support Agreement (as defined below);

WHEREAS, it is intended that, for United States federal income tax purposes, the Mergers (as defined below) shall qualify as tax-free exchanges described in Section 351 of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations promulgated thereunder;

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. Definitions. (a) The following terms, as used herein, have the following meanings:

"1933 Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"1934 Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Additional Commercial Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Admission Agreement" means the Instrument of Admission, in the form attached hereto as Exhibit F, pursuant to which AT&T and Parent will become parties to the Exchange Agreement.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under common control with such Person.

"Aggregate Former Employee Broadband Option Amount" means:

(a) if the AT&T Common Stock trades "ex-distribution" or "when issued (to give effect to the Distribution)" on the NYSE on or immediately prior to the Distribution Date, the excess of (i) the product of the aggregate number of shares of AT&T Broadband Common Stock subject to Broadband Options granted pursuant to Section 5.3(b) of the Employee Benefits Agreement, multiplied by the Broadband Common Stock Value (as defined in the Employee Benefits Agreement), over (ii) the aggregate exercise price of such Broadband Options; and

(b) if the AT&T Common Stock does not trade "ex-distribution" or "when issued (to give effect to the Distribution)" on the NYSE on or immediately prior to the Distribution Date, the product of

(i) a fraction, the numerator of which is the product of the Comcast Stock Price multiplied by the Preliminary Exchange Ratio, and the denominator of which is the AT&T Closing Stock Value; times

(ii) the excess of (i) the product of the aggregate number of shares of AT&T Common Stock subject to unexercised AT&T Options held by Former Employees (both as defined in the Employee Benefits Agreement) immediately prior to the Distribution Date, times the AT&T Closing Stock Value, over (ii) the aggregate exercise price of such AT&T Options.

"Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"AOL" means AOL Time Warner Inc., a Delaware corporation. "Articles Amendment" mean the articles of amendment to the articles of incorporation of Comcast in the form attached as Exhibit D-4.

"At Home" means At Home Corporation, a Delaware corporation and/or its bankruptcy estate, as the case may be.

"AT&T 10-K" means AT&T's annual report on Form 10-K for the fiscal year ended December 31, 2000.

"AT&T Balance Sheet" means the consolidated balance sheet of AT&T and its consolidated Subsidiaries as of December 31, 2000 and the footnotes thereto, as set forth in the AT&T 10-K.

"AT&T Broadband Acquisition Proposal" means any offer or proposal for, or any indication of interest in (i) a merger, consolidation, share exchange, business combination, reorganization, recapitalization or other similar transaction involving AT&T, the AT&T Broadband Group, AT&T Broadband or any AT&T Significant Broadband Subsidiary, (ii) the acquisition, directly or indirectly, of (A) an equity interest representing greater than 25% of the voting securities of AT&T, the AT&T Broadband Group, AT&T Broadband or any AT&T Significant Broadband Subsidiary or (B) assets, securities or ownership interests representing an amount equal to or greater than 25% of the consolidated assets or EBITDA generating power of the AT&T Broadband Group, or (iii) any transaction (x) the entering into or the consummation of which would reasonably be expected to be inconsistent in any material respect with the consummation of the transactions contemplated by this Agreement and the other Transaction Agreements, on the terms set forth in this Agreement and the other Transaction Agreements, as the case may be, or (y) that would reasonably be expected to prevent or materially delay, impede or adversely affect the consummation of the transactions contemplated by this Agreement and the other Transaction Agreements other than (X) in the case of (i) or (ii), (I) the transactions contemplated by this Agreement, (II) transactions permitted pursuant to Section 8.01 or (III) transactions that would

not directly or indirectly (other than indirectly by virtue of the ownership of securities of AT&T) include any of the businesses, assets or liabilities of, or materially affect the business of, AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary and (Y) in the case of (i), (ii) or (iii), a transaction that does not involve the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary (except to the extent relating to (A) the transactions contemplated by this Agreement and the other Transaction Agreements or (B) a spin-off of the AT&T Broadband Group substantially pro rata to the holders of AT&T Common Stock not in connection with any other transaction involving the AT&T Broadband Group) that in any such case is consistent in all material respects with the consummation of the transactions contemplated by this Agreement and the other Transaction Agreements, on the terms set forth in this Agreement and the other Transaction Agreements, as the case may be; provided that each of the parties to such transaction agrees that AT&T and AT&T Broadband shall honor the terms and conditions of this Agreement (any transaction referred to in this clause (Y), an "Excepted Transaction").

"AT&T Broadband Assets" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Broadband Balance Sheet" means the unaudited combined balance sheet of the AT&T Broadband Group as of September 30, 2001 and the footnotes thereto, as attached as Exhibit E.

"AT&T Broadband Balance Sheet Date" means September 30, 2001.

"AT&T Broadband Business" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Broadband Class A Common Stock" means the Class A Common Stock, par value \$0.0000000125 per share, of AT&T Broadband that will be created pursuant to a certificate of amendment to be filed by AT&T Broadband with the Secretary of State of the State of Delaware prior to the Record Date pursuant to the DGCL and which, subject to the terms of the Separation and Distribution Agreement, will be issued in exchange for the AT&T Subsidiary Preferred Stock held by certain of the AT&T Broadband Subsidiaries.

"AT&T Broadband Common Stock" means the Common Stock, par value \$0.0000000125 per share, of AT&T Broadband, which, subject to the terms of the Separation and Distribution Agreement, will be distributed on a one-for-one basis on the Distribution Date to holders of shares of AT&T Common Stock.

"AT&T Broadband Entities" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Broadband Financial Statements" means the unaudited combined financial statements of the AT&T Broadband Group as of and for the periods ending December 31, 2000 and September 30, 2001 and the footnotes thereto, as attached as Exhibit E.

"AT&T Broadband Group" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Broadband Material Adverse Effect" means a material adverse effect on the Financial condition, assets or results of operations of the AT&T Broadband Group, taken as a whole, excluding any such effect resulting from or arising in connection with (i) changes or conditions generally affecting the industries in which the AT&T Broadband Group (including AT&T Broadband and all the AT&T Broadband Subsidiaries) operate, (ii) changes in general economic, regulatory or political conditions, or (iii) the announcement of this Agreement or of the transactions contemplated hereby.

"AT&T Broadband Subsidiary" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Closing Stock Value" has the meaning set forth in the Employee Benefits Agreement.

"AT&T Common Stock" means the Common Stock, par value \$1.00 per share, of AT&T.

"AT&T Communications Business" has the meaning set forth in the Exchange Agreement.

"AT&T Communications Group" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T Confidentiality Agreement" means the confidentiality letter agreement, dated September 28, 2001, as amended, by and between AT&T and Comcast providing for, among other things, confidential treatment of information provided by AT&T to Comcast.

"AT&T Convertible Preferred Stock" has the meaning set forth in Section 9.23.

"AT&T Disclosure Schedule" means the AT&T disclosure schedule delivered to Comcast concurrently herewith.

"AT&T Employees" has the meaning set forth in the Separation and Distribution Agreement.

"AT&T ESPP" means the AT&T Employee Stock Purchase Plan.

"AT&T Group" means AT&T together with the AT&T Subsidiaries.

"AT&T Registration Rights Agreement" means the Registration Rights Agreement dated as of June 11, 2001 between Comcast PC Investments Inc. and AT&T.

"AT&T Significant Broadband Subsidiary" means any AT&T Broadband Subsidiary that would have constituted a "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X of the SEC) of the AT&T Broadband Group as of December 31, 2000 if, as of such date, the AT&T Broadband Group were a reporting company under the 1934 Act; provided that for purposes hereof, the phrase "EBITDA" will be substituted for the phrase "income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle" in Rule 1-02(w)(3).

"AT&T Significant Subsidiary" means any AT&T Subsidiary that would constitute a "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X of the SEC) as of December 31, 2000; provided that for purposes hereof, the phrase "EBITDA" will be substituted for the phrase "income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle" in Rule 1-02(w)(3).

"AT&T Subsidiary" means a Subsidiary of AT&T; provided that notwithstanding the Distribution, AT&T Broadband and the AT&T Broadband Subsidiaries will be treated as AT&T Subsidiaries through the Effective Time but not thereafter.

"Average Class A Price" means the average (rounded to the nearest 1/10,000) of the Trading Values for the 10 Trading Days randomly selected by lot by AT&T and Comcast from the Trading Days occurring during the Pricing Period, which 10 Trading Days shall be the same as the 10 Trading Days used to calculate the Average Class A Special Price.

"Average Class A Special Price" means the average (rounded to the nearest 1/10,000) of the Trading Values for the 10 Trading Days randomly

selected by lot by AT&T and Comcast from the Trading Days occurring during the Pricing Period.

"Average Class C Price" means the average (rounded to the nearest 1/10,000) of the Trading Values for the 10 Trading Days randomly selected by lot by AT&T and Comcast from the Trading Days occurring during the Pricing Period, which 10 Trading Days shall be the same as the 10 Trading Days used to calculate the Average Class A Special Price.

"Benefit Arrangement" means, with respect to any Person, any employment, severance or similar contract or arrangement (whether or not written) or any plan, policy, fund, program or arrangement or contract providing for compensation, bonus, profit-sharing, stock option, or other stock-related rights or other forms of incentive or deferred compensation, vacation benefits, insurance coverage (including any self-insured arrangements), health or medical benefits, disability benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance or other benefits) that (i) is not an Employee Plan, (ii) is entered into, maintained, administered or contributed to or required to be contributed to, as the case may be, by such Person or any of its Affiliates and (iii) covers any employee or former employee of such Person or any of its Subsidiaries employed in the United States.

"Broadband Benefit Arrangement" means a Benefit Arrangement that is a Broadband Benefit Plan as defined in the Employee Benefits Agreement.

"Broadband Deferred Compensation Plan" means a Deferred Compensation Plan that is a Broadband Plan as defined in the Employee Benefits Agreement.

"Broadband Employee" has the meaning set forth in the Employee Benefits Agreement, except that for purposes of this Agreement, "Broadband Employee" shall include any Broadband Transferee, and for purposes of Section 9.13, "Broadband Employee" shall not include any current or former non-employee director of AT&T Broadband with respect to service as a director.

"Broadband Employee Plan" means an Employee Plan that is a Broadband Benefit Plan as defined in the Employee Benefits Agreement.

"Broadband International Plan" means an International Plan that is a Broadband Benefit Plan as defined in the Employee Benefits Agreement.

"Broadband Options" has the meaning set forth in the Employee Benefits Agreement.

"Broadband Pension Plan" means a Pension Plan that is a Broadband Benefit Plan as defined in the Employee Benefits Agreement.

"Broadband Transferee" has the meaning set forth in the Employee Benefits Agreement.

"Broadband Value" means the product of the Exchange Ratio multiplied by the average (rounded to the nearest 1/10,000) of the Trading Values of (i) if the Preferred Structure Approval has been obtained, the Parent Class A Common Stock or (ii) if the Preferred Structure Approval has not been obtained, the Parent Class C Common Stock, in either case for the 10 Combined Trading Days randomly selected by lot by AT&T and Comcast from the Combined Trading Days occurring during the 20 consecutive Combined Trading Days following the Closing Date.

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

"Class A Liberty Media Group Common Stock" means the Class A Liberty Media Group Common Stock, par value \$1.00 per share, of AT&T.

"Class B Liberty Media Group Common Stock" means the Class B Liberty Media Group Common Stock, par value \$1.00 per share, of AT&T.

"Closing Date" means the date on which the Effective Time occurs.

"Combined Trading Day" means any day which is both a Trading Day and a NYSE Trading Day.

"Comcast 10-Q" means Comcast's annual report on Form 10-Q for the Fiscal quarter ended September 30, 2001.

"Comcast Affiliate" means an Affiliate of Comcast.

"Comcast Balance Sheet" means the unaudited consolidated balance sheet of Comcast and its consolidated Subsidiaries as of September 30, 2001 and the footnotes thereto, as set forth in the Comcast 10-Q.

"Comcast Balance Sheet Date" means September 30, 2001.

"Comcast Benefit Arrangements" means the Benefit Arrangements of Comcast or any Comcast Subsidiary.

"Comcast Class A Common Stock" means the Class A Common Stock, par value \$1.00 per share, of Comcast.

"Comcast Class A Special Common Stock" means the Class A Special Common Stock, par value \$1.00 per share, of Comcast.

"Comcast Class B Common Stock" means the Class B Common Stock, par value \$1.00 per share, of Comcast.

"Comcast Common Stock" means the Comcast Class A Common Stock, the Comcast Class A Special Common Stock and the Comcast Class B Common Stock.

"Comcast Confidentiality Agreement" means the confidentiality letter agreement, dated September 28, 2001, as the same may be amended from time to time, by and between AT&T and Comcast providing for, among other things, confidential treatment of information provided by Comcast to AT&T.

"Comcast Deferred Compensation Plan" means a Deferred Compensation Plan of Comcast or any Comcast Affiliate for the benefit of any current or former employee or director of Comcast or any Comcast Subsidiary.

"Comcast Disclosure Schedule" means the Comcast disclosure schedule delivered to AT&T concurrently herewith.

"Comcast Employee Plan" means an Employee Plan of Comcast or any Comcast Subsidiary.

"Comcast ESPP" means the Comcast Employee Stock Purchase Plan.

"Comcast Group" means Comcast together with the Comcast Subsidiaries.

"Comcast International Plan" means an International Plan of Comcast or any Comcast Subsidiary.

"Comcast Material Adverse Effect" means a material adverse effect on the financial condition, assets or results of operations of the Comcast Group taken as a whole, excluding any such effect resulting from or arising in connection with (i) changes or conditions generally affecting the industries in which Comcast and

the Comcast Subsidiaries, operate, (ii) changes in general economic, regulatory or political conditions, or (iii) the announcement of this Agreement or of the transactions contemplated hereby.

"Comcast Pension Plan" means a Pension Plan of Comcast or any of its ERISA Affiliates.

"Comcast Significant Subsidiary" means any Comcast Subsidiary that would constitute a "significant subsidiary" (within the meaning of Rule 1-02 of Regulation S-X of the SEC) as of December 31, 2000; provided that for purposes hereof, the phrase "EBITDA" will be substituted for the phrase "income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle" in Rule 1-02(w)(3).

"Comcast Stock Price" means the average (rounded to the nearest 1/10,000) of the Trading Values of Comcast Class A Common Stock for the five consecutive Trading Days immediately preceding the Distribution Date.

"Comcast Subsidiary" means a Subsidiary of Comcast.

"Communications Act" means the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Communications Value" means the average (rounded to the nearest 1/10,000) of the Trading Values of AT&T Common Stock for the 10 Combined Trading Days randomly selected by lot by AT&T and Comcast from the Combined Trading Days occurring during the 20 consecutive Combined Trading Days following the Closing Date, which shall be the same 10 Combined Trading Days as used for the calculation of Broadband Value.

"Confidentiality Agreements" means the AT&T Confidentiality Agreement and the Comcast Confidentiality Agreement.

"Conversion Amount" means an amount "K" where "K" is derived from the following equation:

$$K = (T \times (B + C)) / C$$

provided that in no event shall K exceed the product of 10.0% multiplied by the total number of shares of AT&T Common Stock that would be outstanding immediately after giving effect to the conversion of the AT&T Convertible Preferred Stock.

The variables used to calculate K pursuant to the foregoing formula are defined as follows:

"T" is the number of shares of AT&T Common Stock held by Comcast and any Comcast Subsidiary immediately prior to the Distribution.

"B" is the Broadband Value.

"C" is the Communications Value.

"Conversion Date" has the meaning set forth in Section 9.23.

"Debentures" means the 5% Junior Convertible Subordinated Debentures due 2029 of AT&T.

"Deferred Compensation Plan" means, with respect to any Person, any plan, agreement or arrangement that (i) is described under Sections 4(b)(5) or 401(a)(1) of ERISA (or similar plan covering one or more non-employee directors of a Person), (ii) is maintained, administered or contributed to or required to be contributed to or required to be contributed to by such Person or any of its Affiliates and (iii) covers any current or former employee or director of such Person or any of its Subsidiaries.

"DGCL" means the Delaware General Corporation Law.

"Distribution" has the meaning set forth in the Separation and Distribution Agreement.

"Distribution Date" has the meaning set forth in the Separation and Distribution Agreement.

"Dividend Stock" has the meaning set forth in Section 9.23.

"EBITDA" means operating income plus depreciation plus amortization, in each case as determined in accordance with GAAP.

"Employee Benefits Agreement" has the meaning set forth in the Separation and Distribution Agreement.

"Employee Plan" means, with respect to any Person, any "employee benefit plan" (as defined in Section 3(3) of ERISA) that (i) is subject to any provision of ERISA, (ii) is maintained, administered or contributed to or required

to be contributed to by such Person or any of its Affiliates and (iii) covers any employee or former employee of such Person or any of its Subsidiaries.

"Environmental Laws" means any United States federal, state or local, foreign or supranational law (including common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit or governmental restriction or requirement or any agreement with any Governmental Authority or other third party, relating to human health and safety, the environment or to pollutants, contaminants, wastes or chemicals or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substances, wastes or materials.

"Environmental Permits" means, with respect to any Person, all permits, licenses, franchises, certificates, approvals and other similar authorizations of any Governmental Authority relating to or required by Environmental Laws and affecting, or relating in any way to, the business of such Person or any of its Subsidiaries as currently conducted.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" of any Person means any other Person that, together with such Person, would be treated as a single employer under Section 414 of the Code.

"Excepted Transaction" has the meaning set forth in the definition of AT&T Broadband Acquisition Proposal.

"Exchange Agreement" means the Exchange Agreement dated as of December 7, 2001, as amended from time to time, between Comcast and Microsoft.

"Exchange Ratio" means the value, "X", as defined below (and rounded to the nearest 1/10,000). The purpose of the Exchange Ratio is to determine the number of shares of Parent Common Stock that will be delivered in exchange for each outstanding share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock at the Effective Time, and to adjust for the value of certain employee options and stock appreciation rights to be assumed by Parent as of the Effective Time.

"X" is defined according to the following formula:

$$X = \frac{1,235,000,000 - (I + F)/C}{0}$$

The variables used in calculating X pursuant to the foregoing formula are defined as follows:

"C" is the Comcast Stock Price.

"O" is (i) the number of shares of AT&T Broadband Common Stock outstanding immediately prior to the AT&T Broadband Merger excluding any shares issued pursuant to the QUIPS Exchange and any shares held by any wholly owned AT&T Broadband Subsidiary plus (ii) the number of shares, if any, of AT&T Common Stock in respect of which rights pursuant to Section 910 of the NYBCL have purportedly been exercised and not withdrawn. For purposes of this definition and for the avoidance of doubt, any restricted shares of AT&T Broadband Common Stock that have been awarded prior to the date of this Agreement and not forfeited prior to the Closing Date shall be considered "outstanding", regardless of whether an election has been made with respect to such shares pursuant to Section 83(b) of the Code.

"I" is the aggregate "in-the-money" amount for all unexercised AT&T Stock Options outstanding as of the date of this Agreement and held by Broadband Employees immediately prior to the Closing Date whose exercise price, as of the Closing Date, is less than the AT&T Closing Stock Value, calculated with respect to each such AT&T Stock Option as the product of:

(A) the excess of the AT&T Closing Stock Value over the exercise price, as of the Closing Date, for such option, times

(B) the number of shares of AT&T Common Stock subject to such option.

For this purpose, a stock appreciation right with respect to AT&T Common Stock shall be treated as an AT&T Stock Option. In addition, for purposes of this definition, AT&T Stock Options granted after the date hereof shall be disregarded.

"F" means the aggregate "in-the-money" amount for AT&T Stock Options held by Former Employees (as defined in the Employee Benefits Agreement) to the extent converted into options to purchase AT&T Broadband Common Stock, calculated as equal to the Aggregate Former Employee Broadband Option Amount.

"Expense Agreement" means the Expense Agreement dated as of June 16, 1999 between AT&T and the Issuer Trust.

"FCC" means the United States Federal Communications Commission.

"Fractional Shares Payment Date" means the Effective Time, if Standard & Poor's has then committed that the Parent Class A Common Stock (if the Preferred Structure Approval has been obtained) or the Parent Class C Common Stock (if the Preferred Structure Approval has not been obtained) will be included in the Index immediately after the Effective Time; provided that if as of the Effective Time, Standard & Poor's has not then committed that the Parent Class A Common Stock (if the Preferred Structure Approval has been obtained) or the Parent Class C Common Stock (if the Preferred Structure Approval has not been obtained) will be included in the Index immediately after the Effective Time, then the "Fractional Shares Payment Date" shall be the earlier of (i) the date on which either the Parent Class A Common Stock (if the Preferred Structure Approval has been obtained) or the Parent Class C Common Stock (if the Preferred Structure Approval has not been obtained) is included in the Index and (ii) the end of the Pricing Period.

"Franchise" means a written "franchise" (within the meaning of Section 602(8) of the Communications Act).

"Franchising Authority" means "franchising authority" (within the meaning of Section 602(9) of the Communications Act).

"Guarantee Agreement" means the Guarantee Agreement dated as of June 16, 1999 between AT&T, as Guarantor, and The Bank of New York, as Guarantor Trustee, relating to the Issuer Trust.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Indebtedness" has the meaning set forth in the Separation and Distribution Agreement.

"Indenture" means the Indenture dated as of June 16, 1999, as amended or supplemented, between AT&T and The Bank of New York, as Trustee, relating to the Debentures.

"Independent Person" has the meaning set forth in the Parent Charter.

"Index" means the Standard & Poor's 500 Index.

"Interim Finance Committee" means the committee described in Section 9.15.

"International Plan" means, with respect to any Person, any employment, severance or similar contract or arrangement (whether or not written) or any plan, policy, fund, program or arrangement or contract providing for severance, insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or benefits that (i) is not an Employee Plan or a Benefit Arrangement, (ii) is entered into, maintained, administered or contributed to or required to be contributed to by such Person or any of its Affiliates and (iii) covers any employee or former employee of such Person or any of its Subsidiaries.

"IRS" means the United States Internal Revenue Service.

"Issuer Trust" means AT&T Finance Trust I, a Delaware business trust.

"K/A Price Differential" means the number equal to the excess, if any, of (i) the quotient obtained by dividing (A) the Average Class A Special Price by (B) the Average Class A Price over (ii) 1; provided that the K/A Price Differential shall in no event be less than 0 or more than .03.

"K/C Price Differential" means the number equal to the excess, if any, of (i) the quotient obtained by dividing (A) the Average Class A Special Price by (B) the Average Class C Price over (ii) 1; provided that the K/C Price Differential shall in no event be less than 0 or more than .03.

"knowledge" means, with respect to any fact, the conscious awareness of such fact by an "executive officer" (as defined under the 1933 Act) of the relevant Person or, in the case of AT&T, any Person who would be considered an "executive officer" (as so defined) of the AT&T Broadband Group.

"Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

"Mergers" means the AT&T Broadband Merger and the Comcast Merger.

"Microsoft" means Microsoft Corporation, a Washington corporation.

"Multiemployer Plan" means each Employee Plan that is a "multiemployer plan" (as defined in Section 3(37) of ERISA).

"Nasdaq" means The Nasdaq Stock Market.

"New AT&T Subsidiary Preferred Stock" means the Subsidiary Exchangeable Preferred Stock, Series 2, par value \$1.00 per share, of AT&T that will be created pursuant to a certificate of designation to be filed by AT&T with the Secretary of State of the State of New York prior to the Record Date pursuant to the NYBCL and which, subject to the terms of the Separation and Distribution Agreement, will be issued in exchange for the AT&T Subsidiary Preferred Stock held by the AT&T Subsidiaries (other than the AT&T Broadband Subsidiaries).

"Note Consent" means, with regard to any given series of securities issued under the Notes Indenture, the receipt of the irrevocable consent to the transactions contemplated by the Separation and Distribution Agreement of the holders of at least a majority in aggregate principal amount of such series.

"Notes Indenture" means the Indenture dated as of September 7, 1990, as amended or supplemented, between American Telephone & Telegraph Company and The Bank of New York, as trustee.

"NYSE" means the New York Stock Exchange.

"NYSE Trading Day" means any day on which securities of AT&T are traded on the NYSE.

"NYSE Trading Value" means, with respect to any equity security on any given NYSE Trading Day, the volume weighted average trading price (rounded to the nearest 1/10,000) of such security on the NYSE, as reported by Bloomberg Financial Markets (or such other source as AT&T and Comcast shall agree in writing) for that NYSE Trading Day.

"NYBCL" means the New York Business Corporation Law.

"Parent Class A Common Stock" means the Class A Common Stock, par value \$0.01 per share, of Parent.

"Parent Class A Special Common Stock" means the Class A Special Common Stock, par value \$0.01 per share, of Parent.

"Parent Class B Common Stock" means the Class B Common Stock, par value \$0.01 per share, of Parent.

"Parent Class C Common Stock" means the Class C Common Stock, par value \$0.01 per share, of Parent.

"Parent Common Stock" means the Parent Class A Common Stock, the Parent Class A Special Common Stock, the Parent Class B Common Stock and the Parent Class C Common Stock.

"Parent Indexed Stock" means the class of Parent Common Stock that is included in the Index on the first Trading Day after the Effective Time; provided that (A) if the Preferred Structure Approval has been obtained and the Parent Class A Common Stock and the Parent Class A Special Common Stock are both included in the Index on the First Trading Day after the Effective Time, "Parent Indexed Stock" shall mean the Parent Class A Common Stock or (B) if the Preferred Structure Approval has not been obtained and the Parent Class C Common Stock and the Parent Class A Special Common Stock are both included in the Index on the First Trading Day after the Effective Time, "Parent Indexed Stock" shall mean the Parent Class C Common Stock.

"Parent Material Adverse Effect" means a material adverse effect on the financial condition, assets or results of operations of the AT&T Broadband Group and the Comcast Group, taken as a whole, excluding any such effect resulting from or arising in connection with (i) changes or conditions generally affecting the industries in which the AT&T Broadband Group and the Comcast Group operate, (ii) changes in general economic, regulatory or political conditions or (iii) the announcement of this Agreement or of the transactions contemplated hereby.

"PBCL" means the Pennsylvania Business Corporation Law of 1988.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means, with respect to any Person, any plan (other than a Multiemployer Plan) that is subject to Title IV of ERISA and is maintained, administered or contributed to or required to be contributed to by such Person or any of its ERISA Affiliates.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Structure Approval" means the approval, by a majority of the votes cast, of the holders of the Comcast Class A Common Stock (voting as a single class at a meeting at which a quorum is present) and the holders of the Comcast Class A Common Stock and Comcast Class B Common Stock (voting together as a single class at a meeting at which a quorum is present) of the Articles Amendment.

"Preliminary Exchange Ratio" is defined as follows:

$$X = \frac{1,235,000,000 - . I/C}{0}$$

where "I", "C" and "O" have the same meanings as in the definition of Exchange Ratio.

"Pricing Period" means the 20 consecutive Trading Days commencing on the First full Trading Day after the later to occur of (i) the fifth Trading Day after the First date on which Standard & Poors' reweights the Index in respect of the transactions contemplated hereby and (ii) the 30th calendar day after the Closing Date; provided that in no event shall the Pricing Period commence later than the First full Trading Day occurring after the 45th calendar day after the Closing Date.

"Primary Commercial Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Primary Transaction Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"PrISMs Contracts" means each of the PrISM Variable Prepaid Forward Securities Contracts dated as of December 1, 2000 among AT&T, TCI Lenfest, Inc. and Morgan Guaranty Trust Company of New York, relating to shares of Comcast Class A Special Common Stock.

"QUIPS" means the 5% Convertible Quarterly Income Preferred Securities issued pursuant to the Trust Agreement.

"QUIPS Exchange" means the issuance of shares of AT&T Broadband Common Stock in exchange for the QUIPS pursuant to the Exchange Agreement.

"Record Date" has the meaning set forth in the Separation and Distribution Agreement.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of June 16, 1999 between AT&T and Microsoft.

"SAILS Contracts" means the SAILS Mandatorily Exchangeable Securities Contracts dated as of October 27, 2000, November 6, 2000 and November 10, 2000 among AT&T, TCI Lenfest, Inc., Credit Suisse First Boston International and Credit Suisse First Boston Corporation, relating to shares of Comcast Class A Special Common Stock.

"SEC" means the United States Securities and Exchange Commission.

"Senior Notes" means any of the securities issued pursuant to the Indenture dated as of November 21, 2001 between AT&T and The Bank of New York, as Trustee.

"Separation" has the meaning set forth in the Separation and Distribution Agreement.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement dated as of the date hereof by and between AT&T and AT&T Broadband, in the form attached as Exhibit C, as amended from time to time.

"Significant Excepted Transaction" means any Excepted Transaction providing for the sale or disposition of at least 50% of the AT&T Communications Group.

"Specified AT&T SEC Documents" means each of (i) AT&T's annual report on Form 10-K for its Fiscal year ended December 31, 2000, (ii) AT&T's quarterly reports on Form 10-Q filed since December 31, 2000, (iii) AT&T's periodic reports on Form 8-K Filed since December 31, 2000, (iv) AT&T's proxy statement relating to its 2001 annual meeting of shareholders and (v) AT&T's preliminary proxy statement Filed on July 3, 2001 regarding, among other things, the creation of a tracking stock reflecting the AT&T Broadband Group.

"Specified Comcast SEC Documents" means each of (i) Comcast's annual report on Form 10-K for its Fiscal year ended December 31, 2000, (ii) Comcast's quarterly reports on Form 10-Q Filed since December 31, 2000, (iii) Comcast's periodic reports on Form 8-K Filed since December 31, 2000 and (iv) Comcast's proxy statement relating to its 2001 annual meeting of shareholders.

"Subsidiary" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other body performing similar functions are at any time, directly or indirectly, owned by such Person.

"Subsidiary Trusts" means (i) TCI Communications Financing I, (ii) TCI Communications Financing II, (iii) TCI Communications Financing IV, (iv) MediaOne Finance Trust I, (v) MediaOne Finance Trust II, (vi) MediaOne Finance Trust III, (vii) MediaOne Financing A and (viii) MediaOne Financing B, each a Delaware business trust.

"Support Agreement" means the Support Agreement dated as of the date hereof by and between Comcast Shareholder, Mr. Brian L. Roberts, Comcast and Parent, in the form attached as Exhibit A, as amended from time to time.

"Surviving Corporations" means the AT&T Broadband Surviving Corporation and the Comcast Surviving Corporation.

"System" means a "cable television system" (within the meaning of Section 602(7) of the Communications Act).

"T-Holdings" means AT&T Broadband T-Holdings, Inc. (f/k/a TCI Telephony Holdings, Inc), a Delaware corporation.

"Tax Sharing Agreement" has the meaning set forth in the Separation and Distribution Agreement.

"TOPRS" means (i) the 8.72% Trust Originated Preferred Securities of TCI Communications Financing I; (ii) the 10% Trust Preferred Securities of TCI Communications Financing II; (iii) the 9.72% Trust Preferred Securities of TCI Communications Financing IV; (iv) the 9.50% Trust Originated Preferred Securities of MediaOne Finance Trust II; (v) the 9.04% Trust Originated Preferred Securities of MediaOne Finance Trust III; (vi) the 7.96% Trust Originated Preferred Securities of MediaOne Financing A; and (vii) the 8.25% Trust Originated Preferred Securities of MediaOne Financing B.

"Trading Day" means any day on which securities of Comcast or Parent are traded on Nasdaq.

"Trading Value" means, with respect to any equity security on any given Trading Day, the volume weighted average trading price (rounded to the nearest 1/10,000) of such security on Nasdaq, as reported by Bloomberg Financial

Markets (or such other source as AT&T and Comcast shall agree in writing) for that Trading Day.

"Transaction Agreements" means this Agreement, the Support Agreement and each of the Ancillary Agreements.

"Trust Agreement" means the Trust Agreement dated as of June 16, 1999 among AT&T, as Depositor, The Bank of New York, as Property Trustee, The Bank of New York (Delaware), as Delaware Trustee, and the administrative trustees named therein, relating to the Issuer Trust.

"Trust Common Securities" means the common securities of the Issuer Trust issued pursuant to the Trust Agreement.

"TWE" means Time Warner Entertainment Company, L.P., a Delaware limited partnership.

"TWE Option" means the option of MediaOne of Colorado, Inc. to purchase up to an additional 8.5% participating percentage share in TWE pursuant to the TWE Option Agreement.

"TWE Option Agreement" means the Option Agreement, dated as of September 15, 1993, by and between TWE and US West, Inc.

"TWE Partnership Agreement" means the Agreement of Limited Partnership dated as of October 29, 1991, as amended.

"TWE Subsidiary" means a Subsidiary of TWE.

"UCT Video" means UCT Video, Inc., a Colorado corporation.

"UAI" means United Artists Investments, Inc., a Colorado corporation.

"Wireless Group Common Stock" means the Wireless Group Common Stock, par value \$1.00 per share, of AT&T.

(b) Each of the following additional terms is defined in the Section set forth opposite such term:

Term	Section
- ----	-----
351 Transactions.....	9.06(a)
Agreement.....	Preamble
AT&T.....	Preamble

Term	Section
-----	-----
AT&T Broadband.....	Preamble
AT&T Broadband Merger.....	3.01(a)
AT&T Broadband Merger Sub.....	Preamble
AT&T Broadband Rule 145 Affiliate.....	9.07(a)
AT&T Broadband Surviving Corporation.....	3.01(a)
AT&T Broadband Surviving Corporation Common Stock.....	4.01(a)
AT&T Converted SARs.....	4.02(g)
AT&T Converted Stock Options.....	4.02(g)
AT&T Converted Equity Awards.....	4.02(g)
AT&T Equity Awards.....	4.02(g)
AT&T Franchise Consents.....	6.03
AT&T Intellectual Property.....	6.20
AT&T License Consents.....	6.03
AT&T Marks.....	9.20(a)
AT&T Parent Charter Approval.....	6.22
AT&T PUC Consents.....	6.03
AT&T SARs.....	4.02(g)
AT&T SEC Documents.....	6.07(a)
AT&T Securities.....	6.05(b)
AT&T Shareholders' Approvals.....	6.22
AT&T Shareholders' Meeting.....	5.09
AT&T Stock Options.....	4.02(g)
AT&T Subsidiary Preferred Stock.....	6.05(a)
AT&T Superior Proposal.....	8.03(b)
AT&T Termination Fee.....	11.03(d)
AT&T Transaction Approval.....	6.22
Certificates.....	4.02(b)
Code.....	Recitals
Comcast.....	Preamble
Comcast Converted Equity Awards.....	4.02(h)
Comcast Converted Restricted Stock Awards.....	4.02(h)
Comcast Converted Stock Options.....	4.02(h)
Comcast Equity Awards.....	4.02(h)
Comcast Franchise Consents.....	5.03
Comcast Intellectual Property.....	5.20
Comcast License Consents.....	5.03
Comcast Merger.....	3.02(a)
Comcast Merger Sub.....	Preamble

Term - ----	Section -----
Comcast Parent Charter Approval.....	5.22
Comcast PUC Consents.....	5.03
Comcast Restricted Stock Awards.....	4.02 (h)
Comcast Rule 145 Affiliate.....	9.07 (b)
Comcast SEC Documents.....	5.07 (a)
Comcast Securities.....	5.05 (b)
Comcast Shareholder.....	Preamble
Comcast Shareholders' Approvals.....	5.22
Comcast Shareholders' Meeting.....	5.09
Comcast Stock Options.....	4.02 (h)
Comcast Surviving Corporation.....	3.03
Comcast Surviving Corporation Class A Common Stock.....	4.01 (b)
Comcast Surviving Corporation Class A Special Common Stock.....	4.01 (b)
Comcast Termination Fee.....	11.03 (b)
Comcast Transaction Approval.....	5.22
Common Stock Trust.....	4.02 (e)
DE Certificate of Merger.....	3.01 (b)
Effective Time.....	3.01 (b)
End Date.....	11.01 (b)
Excess Shares.....	4.02 (e)
Exchange Agent.....	4.02 (a)
Exchange Fund.....	4.02 (a)
Financing.....	9.15
Franchise Consents.....	6.03 (a)
GAAP.....	5.08
Governmental Authority.....	5.03
Indemnified Losses.....	9.11
Indemnified Person.....	9.11
Joint Proxy Statement.....	5.09
Letter of Credit.....	9.16 (d)
License Consents.....	6.03
Mandatory Residual Conditions.....	8.02 (a)
Neutrality Agreement.....	8.05
Original Award.....	4.02 (g)
PA Articles of Merger.....	3.02 (b)
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Term - ----	Section -----
Qualified Holders.....	4.03 (c)
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QUIPS Fair Market Value.....	9.18 (f)
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(c) Interpretation. In this Agreement, unless otherwise specified or where the context otherwise requires:

(i) a reference to a Recital is to the relevant Recital to this Agreement, to a Section is to the relevant Section of this Agreement and to an Exhibit is to the relevant Exhibit to this Agreement;

(ii) words importing any gender shall include other genders;

(iii) words importing the singular only shall include the plural and vice versa;

(iv) the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation";

(v) the words "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this

Agreement, and Article, clause and Exhibit references are to the Articles, clauses and Exhibits to this Agreement unless otherwise specified;

(vi) references to any party hereto or any other agreement or document shall include such party's successors and permitted assigns; and

(vii) the parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

(d) Headings. In this Agreement the headings to Sections are inserted for convenience only and shall not affect the construction of this Agreement.

ARTICLE 2 PARENT AND MERGER SUBS

SECTION 2.01. Organization of Parent. Comcast and AT&T have caused Parent to be organized under the laws of the Commonwealth of Pennsylvania. The authorized capital stock of Parent consists of 100 shares of Common Stock, par value \$0.01 per share, of which one share has been issued to Comcast and one share has been issued to AT&T. At the Effective Time, each of Comcast and AT&T shall return its share of Parent common stock to Parent for cancellation without the payment of any consideration therefor. Subject to the terms and conditions of this Agreement, Comcast and AT&T shall take, and shall cause Parent to take, all requisite action to cause (i) if the Preferred Structure Approval is obtained, the articles of incorporation of Parent (the "Parent Charter") to be in the form of Exhibit D-1 at the Effective Time, (ii) if the Preferred Structure Approval is not obtained, the Parent Charter to be on the terms set forth in Exhibit D-2 at the Effective Time and (iii) whether or not the Preferred Structure Approval is obtained, the bylaws of Parent to be in the form of Exhibit D-3 at the Effective Time. Promptly after the Effective Time, Comcast shall change its name to "Comcast Holdings Corporation" and Parent shall change its name to "Comcast Corporation".

SECTION 2.02. Directors and Officers of Parent. Prior to the Effective Time, unless otherwise agreed, the directors and officers of Parent shall consist of equal numbers of representatives of Comcast and AT&T as designated and elected by Comcast and AT&T. Comcast and AT&T shall take all requisite action to

cause the directors and officers of Parent as of the Effective Time to be as provided in Section 9.08.

SECTION 2.03. Organization of Merger Subs. Parent has caused AT&T Broadband Merger Sub and Comcast Merger Sub to be organized for the sole purpose of effectuating the Mergers. The authorized capital stock of AT&T Broadband Merger Sub consists of 100 shares of Common Stock, par value \$0.01 per share, all of which shares have been issued to Parent at a price of \$1.00 per share. The authorized capital stock of Comcast Merger Sub consists of 100 shares of Common Stock, par value \$0.01 per share, all of which shares have been issued to Parent at a price of \$1.00 per share.

SECTION 2.04. Actions of Comcast and AT&T. Comcast and AT&T, as the holders of all the outstanding shares of Parent capital stock, have approved and adopted this Agreement and the transactions contemplated hereby and have caused Parent, as the sole stockholder of each of the Merger Subs, to approve and adopt this Agreement and the transactions contemplated hereby. Each of Comcast and AT&T shall cause Parent to perform its obligations under this Agreement, and Parent shall cause the Merger Subs to perform their respective obligations under this Agreement.

SECTION 2.05. Rights Plan. Parent shall adopt a shareholder rights plan, effective as of the Effective Time, on the terms and conditions set forth in the Comcast Disclosure Schedule.

ARTICLE 3 THE MERGERS

SECTION 3.01. The AT&T Broadband Merger. (a) At the Effective Time, AT&T Broadband shall be merged with and into AT&T Broadband (the "AT&T Broadband Merger") in accordance with the DGCL and upon the terms set forth in this Agreement, whereupon the separate existence of AT&T Broadband Merger Sub shall cease and AT&T Broadband shall be the surviving corporation (the "AT&T Broadband Surviving Corporation").

(b) As soon as practicable (and, in any event, within five Business Days) after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Mergers set forth in Article 10, other than conditions that by their nature are to be satisfied at the Effective Time and will in fact be satisfied at the Effective Time, a certificate of merger shall be duly prepared, executed and acknowledged by AT&T Broadband Merger Sub and AT&T Broadband and thereafter delivered

to and Filed with the Secretary of State of the State of Delaware pursuant to the DGCL (the "DE Certificate of Merger"). The AT&T Broadband Merger shall become effective at the Effective Time. As used herein, the term "Effective Time" means (i) with respect to the Comcast Merger, such time as is mutually agreeable to Comcast and AT&T on the date of filing of the PA Articles of Merger, or on such other date or time as may be agreed by Comcast and AT&T and (ii) with respect to the AT&T Broadband Merger, shortly after the time specified in clause (i) of this definition on the same date. The Separation shall occur on the Closing Date prior to the Distribution which shall occur at the close of business in New York, New York on the Closing Date. With the consent of Comcast, which consent shall not be unreasonably withheld, AT&T may effect the Separation and/or the Distribution on different dates or different times than provided for in the preceding sentence.

(c) From and after the Effective Time, the AT&T Broadband Surviving Corporation shall possess all the rights, powers, privileges and franchises, and be subject to all of the obligations, liabilities, restrictions and disabilities, of AT&T Broadband Merger Sub and AT&T Broadband, all as provided under the DGCL.

SECTION 3.02. The Comcast Merger. (a) At the Effective Time, Comcast Merger Sub shall be merged with and into Comcast (the "Comcast Merger") in accordance with the PBCL, and upon the terms set forth in this Agreement, whereupon the separate existence of Comcast Merger Sub shall cease and Comcast shall be the surviving corporation (the "Comcast Surviving Corporation").

(b) As soon as practicable (and, in any event, within five Business Days) after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Mergers set forth in Article 10, other than conditions that by their nature are to be satisfied at the Effective Time and will in fact be satisfied at the Effective Time, an articles of merger shall be duly prepared, executed and acknowledged by Comcast Merger Sub and Comcast and thereafter delivered to and Filed with the Department of State of the Commonwealth of Pennsylvania pursuant to the PBCL (the "PA Articles of Merger"). The Comcast Merger shall become effective at the Effective Time.

(c) From and after the Effective Time, the Comcast Surviving Corporation shall possess all the rights, powers, privileges and franchises, and be subject to all of the obligations, liabilities, restrictions and disabilities, of Comcast Merger Sub and Comcast, all as provided under the PBCL.

SECTION 3.03. Certificate and Articles of Incorporation; Bylaws. The certificate of incorporation of AT&T Broadband in effect at the Effective Time

shall be the certificate of incorporation of the AT&T Broadband Surviving Corporation and the bylaws of AT&T Broadband Merger Sub in effect at the Effective Time shall be the bylaws of the AT&T Broadband Surviving Corporation, in each case, until amended in accordance with applicable law. Immediately prior to the Effective Time, if the Preferred Structure Approval shall have been obtained, Comcast shall file the Articles Amendment with the Department of State of the Commonwealth of Pennsylvania pursuant to the PBCL. The articles of incorporation of Comcast in effect at the Effective Time shall be the articles of incorporation of the Comcast Surviving Corporation and the bylaws of Comcast Merger Sub in effect at the Effective Time shall be the bylaws of the Comcast Surviving Corporation, in each case, until amended in accordance with applicable law.

SECTION 3.04. Directors and Officers of the Surviving Corporations. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (a) the directors of AT&T Broadband Merger Sub at the Effective Time shall be the directors of the AT&T Broadband Surviving Corporation, (b) the officers of AT&T Broadband at the Effective Time shall be the officers of the AT&T Broadband Surviving Corporation, (c) the directors of Comcast Merger Sub at the Effective Time shall be the directors of the Comcast Surviving Corporation and (d) the officers of Comcast at the Effective Time shall be the officers of the Comcast Surviving Corporation.

SECTION 3.05. Alternative Structure. From the date hereof until the Effective Time, each of AT&T and Comcast agrees that, at the request of the other party, it will consider in good faith amending the terms of this Agreement to the extent necessary to provide for a structure or a sequencing of the Mergers that is more tax efficient or otherwise more advantageous than the structure and sequencing provided by Articles 2 and 3 and is not adverse to the other party.

ARTICLE 4 CONVERSION OF SECURITIES

SECTION 4.01. Conversion of Securities. (a) If the Preferred Structure Approval shall have been obtained, at the Effective Time, by virtue of the AT&T Broadband Merger and without any action on the part of any of the parties hereto or the holders of any of the following securities:

(i) Each issued and outstanding share of capital stock of AT&T Broadband Merger Sub shall be converted into and become one fully paid

and nonassessable share of Common Stock, par value \$.01 per share, of the AT&T Broadband Surviving Corporation ("AT&T Broadband Surviving Corporation Common Stock").

(ii) Each share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock held in the treasury of AT&T Broadband immediately prior to the Effective Time shall be canceled and retired without any conversion thereof, and no payment shall be made with respect thereto.

(iii) Subject to Sections 4.02(c), 4.02(e), 4.02(m), 4.03(a) and 4.06, each issued and outstanding share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock canceled pursuant to Section 4.01(a)(ii)) shall be converted into the right to receive (A) the Exchange Ratio of a fully paid and nonassessable share of Parent Class A Common Stock and (B) the number of fully paid and nonassessable shares (if any) of Parent Class A Common Stock payable pursuant to Section 4.04(a) in respect of each share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock issued and outstanding immediately prior to the Effective Time. As of the Effective Time, all such shares of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each owner of any such shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock, as the case may be, shall cease to have any rights with respect thereto, except the right to receive certificates representing the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions to the extent provided in Section 4.02(c) or 4.02(m), as the case may be, to be issued or paid in consideration therefor, without interest.

(b) If the Preferred Structure Approval shall have been obtained, at the Effective Time, by virtue of the Comcast Merger and without any action on the part of any of the parties hereto or the holders of any of the following securities:

(i) Each issued and outstanding share of capital stock of Comcast Merger Sub shall be converted into and become (A) 214,542.03 fully paid and nonassessable shares of Class A Common Stock, par value \$1.00 per share, of the Comcast Surviving Corporation ("Comcast Surviving Corporation Class A Common Stock") and (B) 9,066,172.31

fully paid and nonassessable shares of Class A Special Common Stock, par value \$1.00 per share, of the Comcast Surviving Corporation ("Comcast Surviving Corporation Class A Special Common Stock").

(ii) Each share of Comcast Common Stock held in the treasury of Comcast immediately prior to the Effective Time shall be canceled and retired without any conversion thereof, and no payment shall be made with respect thereto.

(iii) Subject to Sections 4.01(e) and 4.02(e), each issued and outstanding share of Comcast Class A Common Stock, Comcast Class B Common Stock and Comcast Class A Special Common Stock that is issued and outstanding immediately prior to the Effective Time (excluding any of such shares of Comcast Common Stock canceled pursuant to Section 4.01(b)(ii)) shall be converted into the right to receive one fully paid and nonassessable share of Parent Class A Common Stock, Parent Class B Common Stock and Parent Class A Special Common Stock, respectively. As of the Effective Time, all such shares of Comcast Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a Certificate representing any such shares of Comcast Common Stock shall cease to have any rights with respect thereto, except the right to receive, upon the surrender of such Certificates, certificates representing the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions to the extent provided in Section 4.02(c) to be issued or paid in consideration therefor upon surrender of such Certificate in accordance with Section 4.02, without interest.

(c) If the Preferred Structure Approval shall not have been obtained, at the Effective Time, by virtue of the AT&T Broadband Merger and without any action on the part of any of the parties hereto or the holders of any of the following securities:

(i) Each issued and outstanding share of capital stock of AT&T Broadband Merger Sub shall be converted into and become one fully paid and nonassessable share of AT&T Broadband Surviving Corporation Common Stock.

(ii) Each share of AT&T Broadband Common Stock held in the treasury of AT&T Broadband immediately prior to the Effective Time shall be canceled and retired without any conversion thereof, and no payment shall be made with respect thereto.

(iii) Subject to Sections 4.02(c), 4.02(e), 4.02(m), 4.03(b) and 4.06, each issued and outstanding share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock canceled pursuant to Section 4.01(c)(ii)) shall be converted into the right to receive (A) the Exchange Ratio of a fully paid and nonassessable share of Parent Class C Common Stock and (B) the number of fully paid and nonassessable shares (if any) of Parent Class C Common Stock payable pursuant to Section 4.04(b) in respect of each share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock issued and outstanding immediately prior to the Effective Time. As of the Effective Time, all such shares of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each owner of any such shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock, as the case may be, shall cease to have any rights with respect thereto, except the right to receive certificates representing the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions to the extent provided in Section 4.02(c) or 4.02(m), as the case may be, to be issued or paid in consideration therefor, without interest.

(d) If the Preferred Structure Approval shall not have been obtained, at the Effective Time, by virtue of the Comcast Merger and without any action on the part of any of the parties hereto or the holders of any of the following securities:

(i) Each issued and outstanding share of capital stock of Comcast Merger Sub shall be converted into and become (A) 214,542.03 fully paid and nonassessable shares of Comcast Surviving Corporation Class A Common Stock and (B) 9,066,172.31 fully paid and nonassessable shares of Comcast Surviving Corporation Class A Special Common Stock.

(ii) Each share of Comcast Common Stock held in the treasury of Comcast immediately prior to the Effective Time shall be canceled and retired without any conversion thereof, and no payment shall be made with respect thereto.

(iii) Subject to Sections 4.01(e) and 4.02(e), each issued and outstanding share of Comcast Class A Common Stock, Comcast Class B Common Stock and Comcast Class A Special Common Stock that is issued and outstanding immediately prior to the Effective Time (excluding any of such shares of Comcast Common Stock canceled pursuant to Section 4.01(d)(ii)) shall be converted into the right to receive one fully paid and nonassessable share of Parent Class A Common Stock, Parent Class B Common Stock and Parent Class A Special Common Stock, respectively. As of the Effective Time, all such shares of Comcast Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a Certificate representing any such shares of Comcast Common Stock shall cease to have any rights with respect thereto, except the right to receive, upon the surrender of such Certificates, certificates representing the shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions to the extent provided in Section 4.02(c) to be issued or paid in consideration therefor upon surrender of such Certificate in accordance with Section 4.02, without interest.

(e) In lieu of receiving the consideration payable pursuant to Section 4.01(b) or 4.01(d) upon conversion of its shares of Comcast Common Stock in the Comcast Merger, Comcast Shareholder (or any successor by merger to Comcast Shareholder) may elect to merge with Parent or a newly formed wholly owned Subsidiary of Parent (and, in the event of a merger with a newly formed wholly owned Subsidiary of Parent (which Subsidiary shall have performed no activities other than those incident to its formation and the transactions contemplated hereby), Comcast Shareholder will be the surviving entity in such merger) immediately prior to the Effective Time in a transaction in which the members of Comcast Shareholder (or such successor), in exchange for all of their outstanding membership or other equity interests in Comcast Shareholder (or such successor), would receive in the aggregate the same consideration that Comcast Shareholder (or such successor) would have received pursuant to Section 4.01(b) or 4.01(d), as the case may be, upon conversion of its shares of Comcast Common Stock in the Comcast Merger. If Comcast Shareholder (or such successor) elects to effect the foregoing merger, then at the time of such merger (i) Comcast Shareholder (or such successor) shall have no assets other than shares of Comcast Common Stock and no liabilities other than possible de minimis liabilities, (ii) each issued and outstanding share of Comcast Common Stock owned by Comcast Shareholder (or such successor) shall remain outstanding and (iii) Comcast Shareholder shall provide an indemnity that is reasonably satisfactory to AT&T and Comcast pursuant to which one or more members of Comcast Shareholder (which shall include at a minimum any member or members (on a joint and several basis) who

acquire the shares of Parent Class B Common Stock pursuant to the merger contemplated by this Section 4.01(e)) agrees to indemnify Parent in respect of any liabilities (including tax liabilities) of Comcast Shareholder or arising in connection with the transactions under this Section 4.01(e).

(f) If, between the date of this Agreement and the Effective Time, the outstanding shares of Comcast Common Stock, AT&T Common Stock, AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock shall have been changed into a different number of shares, by reason of any stock dividend (other than to create the number of shares of AT&T Broadband Common Stock necessary to effect the Distribution and, if the QUIPS Exchange occurs, the QUIPS Exchange or otherwise as a result of the Separation and Distribution and other than to create the number of shares of AT&T Broadband Class A Common Stock necessary to effect the Subsidiary Preferred Stock Exchange (as defined in the Separation and Distribution Agreement)), subdivision, split or combination of shares, the consideration payable pursuant to Section 4.01 will, if appropriate, be correspondingly adjusted to reflect such stock dividend, subdivision, split or combination of shares. If the reverse stock split of AT&T Common Stock approved at the AT&T Shareholders' Meeting occurs, appropriate adjustments will be made in this Agreement and the other Transaction Agreements.

(g) For purposes of Sections 4.01(a)-(d), 4.01(f) and 6.06(c) but not for purposes of any other section of this Agreement (including, without limitation, Sections 5.05 and 6.05), (i) any share of Comcast Common Stock held by any Comcast Subsidiary will not be treated as a share of Comcast Common Stock held in the treasury of Comcast and (ii) any share of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock held by any AT&T Broadband Subsidiary will not be treated as a share of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock, as the case may be, held in the treasury of AT&T Broadband.

SECTION 4.02. Exchange of Certificates. (a) Exchange Agent. At or prior to the Effective Time, Parent shall deposit with a bank or trust company jointly designated by AT&T and Comcast (the "Exchange Agent"), for the benefit of the holders of shares of AT&T Broadband Common Stock and Comcast Common Stock, for exchange in accordance with this Article 4, through the Exchange Agent, the shares of Parent Common Stock (such shares of Parent Common Stock, together with any dividends or other distributions to the extent provided in Section 4.02(c), the "Exchange Fund") issuable pursuant to Section 4.01 in exchange for outstanding shares of AT&T Broadband Common Stock and Comcast Common Stock; provided that Parent shall not be required to deliver to the Exchange Agent the portion, if any, of the Exchange Fund that is payable

pursuant to Sections 4.03 and 4.04 unless and until the amounts payable thereunder are determined.

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of AT&T Broadband Common Stock or Comcast Common Stock (the "Certificates"), other than shares to be canceled or retired or converted into AT&T Broadband Surviving Corporation Common Stock or Comcast Surviving Corporation common stock in each case in accordance with Section 4.01, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent, and shall be in such form and have such other provisions as Parent may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Parent Common Stock. Upon (i) surrender of a Certificate for cancellation to the Exchange Agent, together with such letter of transmittal, duly executed, or (ii) receipt of an "agents message" (or such other evidence, if any, of transfer as the Exchange Agent may reasonably request) in the case of a book-entry transfer of uncertificated shares ("Uncertificated Shares"), and (in either case) receipt of such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate or Uncertificated Shares, as the case may be, shall be entitled to receive in exchange therefor (A) such shares of Parent Common Stock (which at Parent's option, shall be in uncertificated book-entry form unless a physical certificate is requested or is otherwise required by applicable law) representing in the aggregate that number of whole shares of Parent Common Stock that such holder has the right to receive pursuant to the provisions of this Article 4, (B) cash in lieu of any fractional shares of Parent Common Stock to the extent provided in Section 4.02(e) and (C) any dividends or distributions to the extent provided in Section 4.02(c), and any Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of AT&T Broadband Common Stock or Comcast Common Stock that is not registered in the transfer records of AT&T Broadband or Comcast, as the case may be, the proper number of shares of Parent Common Stock, cash in lieu of any fractional shares of Parent Common Stock pursuant to Section 4.02(e) and any dividends or other distributions to which such holder is entitled pursuant to Section 4.02(c) may be issued and delivered to a Person other than the Person in whose name the Certificate so surrendered is registered if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the Person requesting such payment shall pay any transfer or other taxes required by reason of the issuance of shares of Parent Common Stock to a Person other than the registered holder of such Certificate or establish to the satisfaction of Parent that such tax has been paid or is not applicable. Until surrendered as contemplated by

this Section 4.02, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing the appropriate number of whole shares of Parent Common Stock, cash in lieu of any fractional shares of Parent Common Stock to the extent provided in Section 4.02(e) and any dividends and distributions to the extent provided in Section 4.02(c). No interest will be paid or will accrue on any cash payable in lieu of any fractional shares of Parent Common Stock. Any amounts payable or deliverable pursuant to this Agreement shall be subject to and made net of applicable withholding taxes to the extent such taxes are imposed under applicable law as determined by Parent in its reasonable discretion. To the extent that amounts are so withheld, those amounts shall be treated for all purposes as having been paid to the holders of AT&T Broadband Common Stock or Comcast Common Stock, as the case may be, in respect of which the deduction and withholding was made. It is understood that the number of whole shares of Parent Common Stock to be issued under the provisions of this Article 4, other than Sections 4.03 and 4.04, will be issued and delivered to the holders entitled thereto in advance of the issuance and delivery of shares of Parent Common Stock to be issued under Sections 4.03 and 4.04, if any, and that the shares of Parent Common Stock to be issued under Sections 4.03 and 4.04, if any, will be issued and delivered to the holders entitled thereto promptly after the number of shares payable thereunder, if any, is determined.

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions with respect to Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Parent Common Stock represented thereby, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 4.02(e) until the surrender of such Certificate in accordance with this Article 4. Subject to the effect of applicable law and to the other provisions hereof, following surrender of any such Certificate, there shall be paid to the holder of the certificate representing whole shares of Parent Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 4.02(e) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such whole shares of Parent Common Stock.

(d) No Further Ownership Rights in AT&T Broadband Common Stock or Comcast Common Stock. All shares of Parent Common Stock issued (and any

cash paid pursuant to Section 4.02(c) or 4.02(e)) upon conversion of shares of AT&T Broadband Common Stock or Comcast Common Stock in accordance with the terms of this Article 4 shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the relevant shares of AT&T Broadband Common Stock or Comcast Common Stock, as the case may be, and there shall be no further registration of transfers on the stock transfer books of the applicable Surviving Corporation, of the shares of AT&T Broadband Common Stock or Comcast Common Stock, as the case may be, that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to Parent or the Exchange Agent for any reason, they shall be canceled and exchanged as provided in this Article 4, except as otherwise provided by applicable law. Shares of Parent Common Stock shall not be issued to any Person who is a Rule 145 Affiliate until Parent has received written undertakings from such Person in the form attached as Exhibit B.

(e) No Fractional Shares. (i) No certificates or scrip or shares of Parent Common Stock representing fractional shares of Parent Common Stock or book-entry credit of the same shall be issued upon the surrender for exchange of Certificates or upon conversion of shares, and such fractional share interests shall not entitle the owner thereof to vote or to any rights of a shareholder of Parent.

(ii) As promptly as practicable following the Fractional Shares Payment Date, the Exchange Agent shall determine the excess of (A) the aggregate number of shares of Parent Common Stock that would be distributed to holders of the Certificates and Uncertificated Shares pursuant to Section 4.02(b) if no effect were given to Section 4.02(e) (i) over (B) the aggregate number of whole shares of Parent Common Stock to be distributed to holders of the Certificates or Uncertificated Shares pursuant to Section 4.02(b) taking into account the effect of Section 4.02(e) (i) (such excess, the "Excess Shares"). As soon as practicable after the Fractional Shares Payment Date, the Exchange Agent, as agent for the holders of the Certificates, shall sell the Excess Shares at then-prevailing prices on Nasdaq, all in the manner provided in Section 4.02(e) (iii).

(iii) The sale of the Excess Shares by the Exchange Agent shall be executed on Nasdaq, and shall be executed in round lots to the extent practicable. The proceeds from such sale or sales available for distribution to the holders of Certificates and Uncertificated Shares shall be reduced by the compensation payable to the Exchange Agent and the expenses incurred by the Exchange Agent, in each case, in connection with such sale or sales of the Excess Shares, including all related commissions, transfer taxes and other out-of-pocket transaction costs. Until the net proceeds of such sale or sales have been distributed to the holders of the Certificates

and Uncertificated Shares, the Exchange Agent shall hold such proceeds in trust for the holders of the Certificates and Uncertificated Shares (the "Common Stock Trust"). The Exchange Agent shall determine the portion of the Common Stock Trust to which each holder of a Certificate or Uncertificated Share shall be entitled, if any, by multiplying the amount of the aggregate net proceeds comprising the portion of the Common Stock Trust attributable to the relevant class of Parent Common Stock by a fraction, the numerator of which is the amount of the fractional share interest in such class of Parent Common Stock to which such holder of a Certificate or Uncertificated Share is entitled and the denominator of which is the aggregate amount of fractional share interests in such class to which all holders of the Certificates and Uncertificated Shares are entitled.

(iv) As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Certificates and Uncertificated Shares in lieu of any fractional share interests, the Exchange Agent shall make available such amounts, without interest, to such holders of Certificates and Uncertificated Shares that have surrendered their Certificates in accordance with this Article 4.

(f) Termination of Exchange Fund and Common Stock Trust. Any portion of the Exchange Fund and Common Stock Trust that remains undistributed for one year after the Effective Time shall be delivered to Parent, upon demand, and any holders of Certificates and Uncertificated Shares who have not theretofore complied with this Article 4 shall thereafter look only to Parent for payment of their claim for Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock, and any dividends or other distributions with respect to Parent Common Stock.

(g) AT&T Stock Options and Other AT&T Equity-Based Awards. (i) At the Effective Time, all options to purchase, and stock appreciation rights with respect to, shares of AT&T Broadband Common Stock ("AT&T Stock Options" and "AT&T SARs", respectively) that are outstanding and unexercised as of the Effective Time shall cease to represent rights with respect to shares of AT&T Broadband Common Stock and shall be converted automatically into options to purchase, or stock appreciation rights with respect to, shares of Parent Indexed Stock ("AT&T Converted Stock Options" and "AT&T Converted SARs", respectively) and Parent shall assume each such AT&T Converted Stock Option and AT&T Converted SAR, on the same terms and conditions as applied to such AT&T Stock Option or AT&T SAR immediately before the Effective Time (including without limitation any vesting as a result of the consummation of the transactions contemplated hereby); provided, however, that, from and after the Effective Time, (A) the number of shares of Parent Indexed Stock subject to such

AT&T Converted Stock Option or AT&T Converted SAR, as applicable, shall be equal to the number of shares, rounded to the nearest whole share, of Parent Indexed Stock whose fair market value, immediately after the Effective Time, is equal to (a) minus (b), where "(a)" is the aggregate fair market value, determined immediately prior to the Distribution using the AT&T Closing Stock Value, of the AT&T Common Stock subject to the original option or stock appreciation right (the "Original Award") with respect to which such AT&T Stock Option or AT&T SAR was issued pursuant to the Employee Benefits Agreement; and "(b)," in the case of a Broadband Employee, is zero, and in the case of a Former Employee is the aggregate fair market value, determined immediately after the Distribution using the AT&T Opening Stock Value (as such term is defined in the Employee Benefits Agreement), of the AT&T Common Stock subject to the "adjusted AT&T Option" into which the Original Award was partially converted pursuant to Section 5.3(b) of the Employee Benefits Agreement; and (B) the per share exercise price under such AT&T Converted Stock Option or AT&T Converted SAR, as applicable, as of the Effective Time, shall be adjusted by dividing the aggregate exercise price of the Original Award relating to such AT&T Stock Option or AT&T SAR, as applicable (less, in the case of a Former Employee, the aggregate exercise price of the relevant "adjusted AT&T Option" referred to in (A) above), by the number of shares of Parent Indexed Stock to which such AT&T Converted Stock Option or AT&T Converted SAR is subject, rounded to the nearest one-hundredth of a cent. Notwithstanding the foregoing, the number of shares and the per share exercise price of each AT&T Converted Stock Option that is, as of the Effective Time, after giving effect to any vesting as a result of the transactions contemplated hereby, an "incentive stock option" (as defined in Section 422 of the Code) and each related AT&T Converted SAR, if any, shall be adjusted in accordance with the requirements of Section 424 of the Code. Accordingly, with respect to any incentive stock options, fractional shares shall be rounded down to the nearest whole number of shares, and, where necessary, the per share exercise price shall be rounded up to the nearest cent. For purposes of this Section 4.02, the fair market value of a share of Parent Indexed Stock shall be determined using the opening per-share price of Parent Indexed Stock as listed on Nasdaq as of the opening of trading on the First Trading Day following the Effective Time; provided, however, that if the Effective Time occurs at a time when Nasdaq is open for trading, fair market value shall be determined using the price at which Parent Indexed Stock trades as of the moment immediately after the Effective Time; provided, further, that if the Effective Time occurs prior to the opening of trading on Nasdaq, the fair market value shall be determined using the price at which the Parent Indexed Stock first trades after the opening of trading on this day.

(ii) At the Effective Time, all shares of AT&T Broadband restricted stock outstanding as of the Effective Time shall be converted

automatically into the right to receive Parent Common Stock on the terms and conditions set forth in the applicable sections of this Article 4 and all other equity based awards based upon shares of AT&T Broadband Common Stock (collectively, the "AT&T Equity Awards") outstanding as of the Effective Time shall be converted automatically into equivalent awards based upon shares of Parent Indexed Stock (collectively, the "AT&T Converted Equity Awards"), on the same terms and conditions as applied to such AT&T Equity Award immediately before the Effective Time (including without limitation any vesting as a result of the consummation of the transactions contemplated hereby); provided, however, that from and after the Effective Time, the number of shares of Parent Indexed Stock subject to such AT&T Converted Equity Award shall be equal to the number of shares of Parent Indexed Stock whose fair market value, immediately after the Effective Time, is equal to the aggregate fair market value, determined immediately prior to the Distribution using the AT&T Closing Stock Value, of the AT&T Common Stock subject to the original equity based award with respect to which such AT&T Equity Award was issued pursuant to the Employee Benefits Agreement.

(iii) At or prior to the Effective Time, Parent shall reserve for issuance the number of shares of Parent Indexed Stock necessary to satisfy Parent's obligations under this Section 4.02(g). No later than five Business Days after the Effective Time, Parent shall File with the SEC a registration statement on Form S-8 (or other appropriate form) (an "S-8") under the 1933 Act with respect to the shares of Parent Indexed Stock subject to AT&T Converted Stock Options, AT&T Converted SARs and AT&T Converted Equity Awards issued pursuant to this Section 4.02(g), and shall use all reasonable best efforts to maintain the effectiveness of the applicable S-8 and current status of the prospectus related to the applicable S-8, as well as comply with any applicable state securities or "blue sky" laws, for so long as any such AT&T Converted Stock Options, AT&T Converted SARs and/or AT&T Converted Equity Awards remain outstanding.

(h) Comcast Stock Options and other Comcast Equity-Based Awards. (i) At the Effective Time, all options to purchase shares of Comcast Class A Special Common Stock ("Comcast Stock Options") granted by Comcast or any Comcast Subsidiary pursuant to the terms of any stock option or incentive plan and held, as of the Effective Time, by an employee of Comcast or any Comcast Subsidiary (or any beneficiary thereof) shall cease to represent rights to purchase shares of Comcast Class A Special Common Stock and shall be converted automatically into options to purchase ("Comcast Converted Stock Options"),

on the same terms and conditions as applied to such Comcast Stock Option immediately prior to the Effective Time, that number of shares of Parent Indexed Stock, rounded to the nearest whole share, whose fair market value, immediately after the Effective Time, is equal to the aggregate fair market value, determined immediately prior to the Effective Time, of the Comcast Class A Special Common Stock subject to such Comcast Stock Option, at a per share exercise price equal to the aggregate exercise price of such Comcast Stock Option divided by the number of shares of Parent Indexed Common Stock to which such Comcast Converted Stock Option is subject. Notwithstanding the foregoing, the number of shares and the per share exercise price of each Comcast Converted Stock Option that is, as of the Effective Time, an "incentive stock option" (as defined in Section 422 of the Code) and each related Comcast Converted SAR, if any, shall be adjusted in accordance with the requirements of Section 424 of the Code. Accordingly, with respect to any incentive stock options, fractional shares shall be rounded down to the nearest whole number of shares, and, where necessary, the per share exercise price shall be rounded up to the nearest cent.

(ii) At the Effective Time, Comcast restricted stock awards (collectively, the "Comcast Restricted Stock Awards") shall be converted automatically into (A) if the Preferred Structure Approval has been obtained, equivalent awards based upon shares of Parent Class A Common Stock or (B) if the Preferred Structure Approval has not been obtained, equivalent awards based upon shares of Parent Class C Common Stock (collectively, the "Comcast Converted Restricted Stock Awards"), on the same terms and conditions as applied to such Comcast Restricted Stock Award immediately prior to the Effective Time. The number of shares of Parent Class A Common Stock or Parent Class C Common Stock, as the case may be, subject to such Comcast Converted Restricted Stock Award shall be that number of shares of Parent Class A Common Stock or Parent Class C Common Stock, as the case may be, rounded to the nearest share, whose fair market value, immediately after the Effective Time is equal to the aggregate fair market value, determined immediately prior to the Effective Time, of the shares of Comcast Common Stock that were subject to such Comcast Restricted Stock Awards. All other equity based awards based upon shares of Comcast Class A Special Common Stock (collectively, the "Comcast Equity Awards") outstanding as of the Effective Time shall be converted automatically into equivalent awards based upon shares of Parent Indexed Stock (collectively, the "Comcast Converted Equity Awards"), on the same terms and conditions as applied to such Comcast Equity Award immediately prior to the Effective Time. The number of shares of Parent Indexed Stock subject to such Comcast Converted Equity Award shall be the number of shares of Parent Indexed Stock, rounded to the nearest

share, whose fair market value, immediately after the Effective Time, is equal to the aggregate fair market value, determined immediately prior to the Effective Time, of the shares of Comcast Common Stock that were subject to such Comcast Equity Award.

(iii) At or prior to the Effective Time, Parent shall reserve for issuance the number of shares of Parent Indexed Stock necessary to satisfy Parent's obligations under this Section 4.02(h). No later than five Business days after the Effective Time, Parent shall File with the SEC an S-8 under the 1933 Act with respect to the shares of Parent Indexed Stock subject to the Comcast Converted Stock Options and Comcast Converted Equity Awards issued pursuant to this Section 4.02(h), and shall use reasonable best efforts to maintain the effectiveness of the applicable S-8 and current status of the prospectus related to the applicable S-8, as well as comply with any applicable state securities or "blue sky" laws, for so long as any such Comcast Converted Stock Options and/or Comcast Converted Equity Awards remain outstanding.

(i) No Liability. None of the parties hereto or the Exchange Agent shall be liable to any Person in respect of any shares of Parent Common Stock (or dividends or distributions with respect thereto) or cash from the Exchange Fund or the Common Stock Trust delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock or any dividends or other distributions with respect to Parent Common Stock payable hereunder would otherwise escheat to or become the property of any Governmental Authority, such shares, cash, dividends or other distributions shall, to the extent permitted by applicable law, become the property of Parent, free and clear of all claims or interest of any Person previously entitled thereto.

(j) Investment of Exchange Fund and Common Stock Trust. The Exchange Agent shall invest any cash included in the Exchange Fund and Common Stock Trust, as directed by Parent, on a daily basis; provided that no such investment or loss thereon shall affect the amounts payable or the timing of the amounts payable to AT&T Broadband or Comcast shareholders pursuant to this Article 4. Any interest and other income resulting from such investments shall be paid to Parent.

(k) Lost Certificates. If any Certificate is lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and executing an indemnity reasonably satisfactory to Parent (and, if required by Parent in the case of a Certificate representing more than 1,000 shares, the posting by such Person of a bond, in such reasonable

amount as Parent may direct, as indemnity) against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue, in exchange for such lost, stolen or destroyed Certificate and in respect of the shares of AT&T Broadband Common Stock or Comcast Common Stock, as the case may be, formerly represented by such lost Certificate, that number of whole shares of Parent Common Stock that such holder has the right to receive pursuant to the provisions of this Article 4, cash in lieu of any fractional shares of Parent Common Stock to the extent provided in Section 4.02(e) and any dividends or distributions to the extent provided in Section 4.02(c).

(l) If (i) any holder of AT&T Common Stock does not receive shares of AT&T Broadband Common Stock in the Distribution in respect of such holder's shares of AT&T Common Stock because such holder has purported to exercise rights pursuant to Section 910 of the NYBCL in respect of such holder's shares of AT&T Common Stock and (ii) such rights are subsequently invalidated or such holder subsequently withdraws his purported exercise of such rights, then Parent shall deliver to such holder at such time (or at such later time as is otherwise provided for such delivery) the merger consideration payable pursuant to this Article 4 in respect of the shares of AT&T Broadband Common Stock issuable in the Distribution in respect such holder's shares of AT&T Common Stock.

(m) Promptly after the Effective Time, AT&T Broadband shall cause its Subsidiaries to exchange the shares of AT&T Broadband Class A Common Stock for the shares of Parent Common Stock into which they were converted pursuant to Section 4.01 on terms that are (to the extent applicable) substantially consistent with the exchange arrangements set forth in this Section 4.02, including, without limitation, Sections 4.02(c) and 4.02(e), with respect to the shares of AT&T Broadband Common Stock converted pursuant to Section 4.01.

SECTION 4.03. Section 355(e) Top-up. (a) In the event that the Preferred Structure Approval has been obtained and if, but for a disparity in the per share value of the Parent Class A Common Stock and the Parent Class A Special Common Stock, the Qualified Holders would have received a number of shares of Parent Common Stock pursuant to Section 4.01(a)(iii) at the Effective Time that represents more than 50% of the total value of all shares of Parent Common Stock (excluding any shares of Parent Common Stock held by Subsidiaries of Parent), Parent shall issue additional shares of Parent Common Stock to the holders of record (as of immediately prior to the Effective Time) of AT&T Broadband Common Stock in an amount sufficient to ensure that Qualified Holders will be treated as holding at the Effective Time more than 50% of the value of all shares of Parent Common Stock (excluding any shares of Parent Common Stock held by Subsidiaries of Parent); provided, however, that Parent shall not be obligated to issue additional shares pursuant to this Section 4.03(a) to the extent that AT&T

has issued shares in breach of Section 8.01(d)(v) of this Agreement. The holders of record of AT&T Broadband Class A Common Stock as of the Effective Time shall receive on a per share basis the same amount of additional shares of Parent Common Stock as the holders of AT&T Broadband Common Stock receive pursuant to the preceding sentence.

(b) In the event that the Preferred Structure Approval has not been obtained and if, but for a disparity in the per share value of the Parent Class C Common Stock and the Parent Class A Special Common Stock, the Qualified Holders would have received a number of shares of Parent Common Stock pursuant to Section 4.01(c)(iii) at the Effective Time that represents more than 50% of the total value of all shares of Parent Common Stock (excluding any shares of Parent Common Stock held by Subsidiaries of Parent), Parent shall issue additional shares of Parent Common Stock to the holders of record of AT&T Broadband Common Stock (as of immediately prior to the Effective Time) in an amount sufficient to ensure that Qualified Holders will be treated as holding at the Effective Time more than 50% of the value of all shares of Parent Common Stock (excluding any shares of Parent Common Stock held by Subsidiaries of Parent); provided, however, that Parent shall not be obligated to issue additional shares pursuant to this Section 4.03(b) to the extent that AT&T has issued shares in breach of Section 8.01(d)(v) of this Agreement. The holders of record of AT&T Broadband Class A Common Stock as of the Effective Time shall receive on a per share basis the same amount of additional shares of Parent Common Stock as the holders of AT&T Broadband Common Stock receive pursuant to the preceding sentence.

(c) For purposes of this Section 4.03, (i) "Qualified Holders" shall mean the holders of AT&T Broadband Common Stock other than holders that receive such shares "pursuant to a plan or series of related transactions" with the Distribution (within the meaning of Section 355(e) of the Code), (ii) the value of the shares of each class of Parent Common Stock shall be determined as of the Closing Date unless AT&T receives a ruling from the Internal Revenue Service that permits Comcast and AT&T to use the valuation methodology used in Section 4.04 (in which event such methodology will be used) and (iii) the value of the shares of Parent Class B Common Stock shall be determined in accordance with Section 4.03 of the Comcast Disclosure Schedule.

SECTION 4.04. Additional Payments. (a) In the event that the Preferred Structure Approval has been obtained and prior to the Effective Time Standard & Poor's has not committed that the Parent Class A Common Stock will be included in the Index immediately after the Effective Time, then in addition to the consideration payable pursuant to Section 4.01(a)(iii)(A), each holder of shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock

shall be entitled to receive pursuant to Section 4.01(a)(iii)(B), in exchange for each of such holder's shares, a number of shares of Parent Class A Common Stock equal to the product of (i) the Exchange Ratio and (ii) the K/A Price Differential; provided that if the Parent Class A Common Stock is included in the Index at any time prior to the end of the Pricing Period, such holder of shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock shall not be entitled to receive any shares of Parent Class A Common Stock pursuant to this sentence. The number of shares of Parent Class A Common Stock issuable pursuant to the preceding sentence (if any) will be reduced by the number of shares of Parent Class A Common Stock previously issued pursuant to Section 4.03(a) (if any) in respect of each share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock.

(b) In the event that the Preferred Structure Approval has not been obtained and prior to the Effective Time Standard & Poor's has not committed that the Parent Class C Common Stock will be included in the Index immediately after the Effective Time, then in addition to the consideration payable pursuant to Section 4.01(c)(iii)(A), each holder of shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock shall be entitled to receive pursuant to Section 4.01(c)(iii)(B), in exchange for each of such holder's shares, a number of shares of Parent Class C Common Stock equal to the product of (i) the Exchange Ratio and (ii) the K/C Price Differential; provided that if the Parent Class C Common Stock is included in the Index at any time prior to the end of the Pricing Period, such holder of shares of AT&T Broadband Common Stock or AT&T Broadband Class A Common Stock shall not be entitled to receive any shares of Parent Class C Common Stock pursuant to this sentence. The number of shares of Parent Class C Common Stock issuable pursuant to the preceding sentence (if any) will be reduced by the number of shares of Parent Class C Common Stock previously issued pursuant to Section 4.03(b) (if any) in respect of each share of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock.

SECTION 4.05. Additional Exchange Arrangements. It is understood that Parent may enter into other additional arrangements mutually acceptable to AT&T and Comcast with the Exchange Agent to the extent necessary in order to give effect to the intent of the provisions in Section 4.02 insofar as they apply to (i) the exchange and/or delivery of Uncertificated Shares by book-entry transfer or otherwise or (ii) the delivery of the consideration payable under Sections 4.03 and 4.04.

SECTION 4.06. Limitation on Voting Stock. If as a result of the conversion of their shares of AT&T Broadband Common Stock pursuant to Section 4.01(a)(iii) or 4.01(c)(iii), as the case may be, or the payment of any additional

shares of Parent Common Stock pursuant to Section 4.03 or 4.04, Microsoft and its Affiliates would hold in the aggregate shares of Parent Common Stock representing, when combined with any Parent Common Stock received by Microsoft or its Affiliates by virtue of the Comcast Merger, in excess of 4.95% of the combined voting power of Parent capital stock at the Effective Time (or, if any shares of Parent Common Stock are delivered pursuant to Section 4.03 or 4.04 after the Effective Time, at the time of such delivery), then Microsoft and its wholly-owned Subsidiaries shall receive, in lieu of the number of shares representing such excess voting power, an equivalent number of shares of Parent Class A Special Common Stock.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF COMCAST

Except as set forth in the Comcast Disclosure Schedule, regardless of whether the relevant Section herein refers to the Comcast Disclosure Schedule, or in the Specified Comcast SEC Documents Filed prior to the date hereof, Comcast represents and warrants to AT&T as follows:

SECTION 5.01. Corporate Existence and Power. Comcast is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has all corporate powers required to carry on its business as currently conducted. Comcast is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified, individually or in the aggregate, has not had and would not reasonably be expected to have a Comcast Material Adverse Effect. Comcast has heretofore delivered or made available to AT&T true and complete copies of the articles of incorporation and bylaws of Comcast as currently in effect.

SECTION 5.02. Corporate Authorization. (a) The execution, delivery and performance by Comcast of this Agreement and the consummation by Comcast of the transactions contemplated hereby are within Comcast's corporate powers and, except for the Comcast Shareholders' Approvals to the extent required by law, have been duly authorized by all necessary corporate action on the part of Comcast. This Agreement constitutes a valid and binding agreement of Comcast, enforceable against Comcast in accordance with its terms, except (i) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights and (ii) for the limitations imposed by general principles of equity.

(b) At meetings duly called and held, Comcast's Board of Directors has (i) unanimously determined that this Agreement and the transactions contemplated hereby are fair to and in the best interests of Comcast shareholders; (ii) unanimously approved and adopted this Agreement and the transactions contemplated hereby; and (iii) resolved to recommend approval of proposals in respect of each of the Comcast Shareholders' Approvals by Comcast shareholders.

SECTION 5.03. Governmental Authorization. The execution, delivery and performance by Comcast of this Agreement and the consummation by Comcast of the transactions contemplated hereby require no action by or in respect of, or Filing with, any United States federal, state or local, foreign or supranational governmental body, agency, official or authority (a "Governmental Authority"), other than (a) notices to, or consents or waivers from, the relevant Franchising Authorities in respect of the Franchises for the Systems owned and operated by Comcast or the Comcast Subsidiaries (the "Comcast Franchise Consents"), and the FCC in connection with a change of control and/or assignment of the holder of the FCC licenses of Comcast and the Comcast Subsidiaries ("Comcast License Consents"); (b) notices to, consents or waivers from the state public service and public utilities commissions having jurisdiction over the assets of Comcast and the Comcast Subsidiaries ("Comcast PUC Consents"); (c) the Filing of the PA Articles of Merger pursuant to the PBCL and appropriate documents with the relevant authorities of other states in which Comcast is qualified to do business; (d) compliance with any applicable requirements of the HSR Act; (e) compliance with any applicable requirements of the 1933 Act, the 1934 Act, and any other applicable securities laws, whether United States state or foreign; and (f) any actions or filings the absence of which, individually or in the aggregate, would not reasonably be expected to have a Comcast Material Adverse Effect or prohibit or materially impair or delay the ability of Comcast to consummate the transactions contemplated by this Agreement.

SECTION 5.04. Non-contravention. The execution, delivery and performance by Comcast of this Agreement and the consummation by Comcast of the transactions contemplated hereby do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the articles of incorporation or bylaws of Comcast; (b) assuming compliance with the matters referred to in Section 5.03, contravene, conflict with or result in a violation or breach of any provision of any applicable law, statute, ordinance, rule, regulation, judgment, injunction, order, or decree; (c) assuming compliance with the matters referred to in Section 5.03, require any consent or other action by any Person under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or cause or permit the termination, cancellation, acceleration, triggering or other change of any right or obligation or the loss of any benefit to which Comcast or any Comcast Subsidiary is entitled

under (i) any provision of any agreement or other instrument binding upon Comcast or any Comcast Subsidiary or any of their respective assets or properties or (ii) any license, franchise, permit, certificate, approval or other similar authorization held by, or affecting, or relating in any way to, the assets, properties or business of, Comcast or any Comcast Subsidiary; or (d) result in the creation or imposition of any Lien on any asset or property of Comcast or any Comcast Subsidiary, other than such exceptions in the case of clauses (b), (c) and (d) above as would not, individually or in the aggregate, reasonably be expected to have a Comcast Material Adverse Effect or prohibit or materially impair or delay the ability of Comcast to consummate the transactions contemplated hereby.

SECTION 5.05. Capitalization. (a) The authorized capital stock of Comcast consists of (i) 200,000,000 shares of Comcast Class A Common Stock, (ii) 50,000,000 shares of Comcast Class B Common Stock, (iii) 2,500,000,000 shares of Comcast Class A Special Common Stock and (iv) 20,000,000 shares of preferred stock. As of the close of business on November 30, 2001, there were outstanding (1) 21,829,422 shares of Comcast Class A Common Stock, (2) 9,444,375 shares of Comcast Class B Common Stock, (3) 913,778,527 shares of Comcast Class A Special Common Stock (inclusive of shares issued pursuant to the Comcast ESPP but exclusive of all restricted stock awards granted under any compensatory plan or arrangements), (4) Comcast Stock Options to purchase an aggregate of 55,853,196 shares of Comcast Class A Special Common Stock (of which options to purchase an aggregate of 16,822,181 shares of Comcast Class A Special Common Stock were exercisable), (5) phantom shares, stock units, stock appreciation rights, other stock-based awards or other deferred stock awards issued under any stock option, compensation or deferred compensation plan or arrangement with respect to an aggregate of 6,808,916 shares of Comcast Class A Special Common Stock and (6) no shares of preferred stock. As of November 30, 2001, 23,324,911 shares of Comcast Class A Special Common Stock were held in treasury, no other shares of Comcast Common Stock were held in treasury and no shares of Comcast Common Stock were held in trust. All outstanding shares of capital stock of Comcast have been, and all shares that may be issued pursuant to any compensatory plan or arrangement will be, when issued in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and nonassessable.

(b) Except as set forth in this Section 5.05 and for changes since November 30, 2001 resulting from the exercise of Comcast Stock Options and the vesting of Comcast Equity Awards outstanding on such date, including, for the avoidance of doubt, options to purchase stock under the Comcast ESPP (and the grant or award of Comcast Stock Options and Comcast Equity Awards in the ordinary course of business and the exercise thereof, including, for the avoidance of doubt, options to purchase stock under the Comcast ESPP), there are no

outstanding (i) shares of capital stock or voting securities of Comcast, (ii) securities of Comcast or any Comcast Subsidiary convertible into or exchangeable for shares of capital stock or voting securities of Comcast or (iii) options or other rights to acquire from Comcast or any Comcast Subsidiary, or other obligations of Comcast or any Comcast Subsidiary to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of Comcast. There are no outstanding obligations of Comcast or any Comcast Subsidiary to repurchase, redeem or otherwise acquire any of the securities referred to in clause (i), (ii) or (iii) above (collectively, the "Comcast Securities").

SECTION 5.06. Subsidiaries. (a) Each Comcast Subsidiary is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all corporate, partnership or other similar powers required to carry on its business as currently conducted, other than such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have a Comcast Material Adverse Effect. Each Comcast Subsidiary is duly qualified to do business as a foreign corporation or other foreign legal entity and is in good standing in each jurisdiction where such qualification is necessary, other than such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have a Comcast Material Adverse Effect. Section 5.06(a) of the Comcast Disclosure Schedule sets forth a list of all Comcast Significant Subsidiaries and their respective jurisdictions of organization.

(b) All of the outstanding capital stock of, or other voting securities or ownership interests in, each Comcast Significant Subsidiary is owned by Comcast, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests). There are no outstanding (i) securities of Comcast or any Comcast Subsidiary convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Comcast Significant Subsidiary or (ii) options or other rights to acquire from Comcast or any Comcast Subsidiary, or other obligations of Comcast or any Comcast Subsidiary to issue, any capital stock, or other voting securities or ownership interests in, or any securities convertible into or exchangeable for any capital stock or other voting securities or ownership interests in, any Comcast Significant Subsidiary. There are no outstanding obligations of Comcast or any Comcast Significant Subsidiary to repurchase, redeem or otherwise acquire any of the items referred to in clauses (i) and (ii) above.

SECTION 5.07. SEC Filings. (a) Comcast has delivered or made available to AT&T (i) Comcast's annual reports on Form 10-K for its Fiscal years ended December 31, 2000, 1999 and 1998, (ii) Comcast's proxy or information statements relating to meetings of, or actions taken without a meeting by, Comcast shareholders held since December 31, 1998, and (iii) all of Comcast's other reports, statements, schedules and registration statements Filed with the SEC since December 31, 1998 (the documents referred to in clauses (i), (ii) and (iii) above, collectively, the "Comcast SEC Documents").

(b) As of its Filing date (and, if amended or superceded by a Filing prior to the date of this Agreement or the Effective Time, then on the date of such Filing), each Comcast SEC Document complied as to form in all material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be.

(c) As of its Filing date (and, if amended or superceded by a Filing prior to the date of this Agreement or the Effective Time, then on the date of such Filing), each Comcast SEC Document Filed pursuant to the 1934 Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) Each Comcast SEC Document that is a registration statement, as amended or supplemented, if applicable, Filed pursuant to the 1933 Act, as of the date such registration statement or amendment became effective, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 5.08. Financial Statements. The audited consolidated Financial statements and unaudited consolidated interim Financial statements of Comcast included in the Comcast SEC Documents fairly present, in all material respects, in conformity with United States generally accepted accounting principles ("GAAP") applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated Financial position of Comcast and its consolidated Subsidiaries as of the respective dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim Financial statements).

SECTION 5.09. Information Supplied. The information supplied by Comcast for inclusion or incorporation in the registration statement on Form S-4 or any amendment or supplement thereto pursuant to which shares of Parent Common Stock issuable in the Mergers will be registered with the SEC (the A-30 "Registration Statement") shall not at the time the Registration Statement is

declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The information supplied by Comcast for inclusion in the joint proxy statement/prospectus or any amendment or supplement thereto (the "Joint Proxy Statement") to be sent to Comcast shareholders in connection with their meeting to consider proposals in respect of each of the Comcast Shareholders' Approvals (the "Comcast Shareholders' Meeting") and to be sent to AT&T shareholders in connection with their meeting to consider proposals in respect of each of the AT&T Shareholders' Approvals (the "AT&T Shareholders' Meeting") shall not, on the date the Joint Proxy Statement is First mailed to the shareholders of each of Comcast and AT&T, at the time of the Comcast Shareholders' Meeting, at the time of the AT&T Shareholders' Meeting or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 5.10. Absence of Certain Changes. Since the Comcast Balance Sheet Date, the business of Comcast and the Comcast Subsidiaries has been conducted in the ordinary course of business consistent with past practices, and there has not been (i) any event, occurrence or development of a state of circumstances or facts that, individually or in the aggregate, has had or would reasonably be expected to have a Comcast Material Adverse Effect or (ii) any action, event, occurrence or transaction that would have been prohibited by clause (iii), (iv), (vii), (viii) or (ix) of Section 7.01 if this Agreement had been in effect at the time thereof or any agreement, arrangement or commitment in respect of any action, event, occurrence or transaction that would have been prohibited by the foregoing clauses of Section 7.01 if this Agreement had been in effect at the time thereof.

SECTION 5.11. No Undisclosed Material Liabilities. There are no liabilities or obligations of Comcast or any Comcast Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in such a liability or obligation, other than:

(a) liabilities or obligations disclosed and provided for in the Comcast Balance Sheet or in the notes thereto;

(b) liabilities or obligations incurred since the Comcast Balance Sheet Date in the ordinary course of business of the Comcast Group consistent with past practice;

(c) liabilities or obligations under commercial transactions and agreements in accordance with their terms or arising in compliance with applicable laws, statutes, ordinances, rules or regulations; or

(d) liabilities or obligations that, individually or in the aggregate, have not had and would not reasonably be expected to have a Comcast Material Adverse Effect.

SECTION 5.12. Compliance with Laws and Court Orders. Comcast and the Comcast Subsidiaries hold all licenses, franchises, certificates, consents, permits, qualifications and authorizations from all Governmental Authorities necessary for the lawful conduct of their business, except where the failure to hold any of the foregoing, individually or in the aggregate, has not had and would not reasonably be expected to have a Comcast Material Adverse Effect. Comcast and each of the Comcast Subsidiaries are, and have been in compliance with, and to the knowledge of Comcast, are not under investigation with respect to and have not been threatened to be charged with or given notice of any violation of, any such license, franchise, certificate, consent, permit, qualification or authorization, or any applicable law, statute, ordinance, rule, regulation, judgment, injunction, order or decree, except for failures to comply or violations that, individually or in the aggregate, have not had and would not reasonably be expected to have a Comcast Material Adverse Effect.

SECTION 5.13. Litigation. There is no action, suit, investigation or proceeding (or any basis therefor) pending against, or, to the knowledge of Comcast, threatened against or affecting, Comcast, any Comcast Subsidiary or any of their respective assets or properties before any court or arbitrator or before or by any other Governmental Authority, that, individually or in the aggregate, would reasonably be expected to have a Comcast Material Adverse Effect.

SECTION 5.14. Finders' Fees. Except for Morgan Stanley & Co. Incorporated, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Quadrangle Group, whose fees will be paid by Comcast, there is no investment banker, broker, lender or other intermediary that has been retained by or is authorized to act on behalf of Comcast or any Comcast Subsidiary who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement and the other Transaction Agreements. A copy of Comcast's engagement agreement with each of Morgan Stanley & Co. Incorporated, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Quadrangle Group has been provided to AT&T.

SECTION 5.15. Opinion of Financial Advisor. Comcast has received an opinion of each of Morgan Stanley & Co. Incorporated, J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Financial advisors to Comcast, to the effect that, as of the date hereof, the conversion ratios in the Comcast Merger applicable to the holders of Comcast Common Stock, in the aggregate, are fair, from a Financial point of view, to the Comcast shareholders, taken together.

SECTION 5.16. Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have a Comcast Material Adverse Effect, (a) all Comcast and Comcast Subsidiary Tax Returns required to be Filed on or before the Effective Time with any taxing authority by, or with respect to, Comcast and the Comcast Subsidiaries have been or will be timely Filed (taking into account extensions) and are or will be correct in all respects (other than with respect to Taxes for which adequate reserves are reflected on the Comcast Balance Sheet); (b) Comcast and the Comcast Subsidiaries have timely paid or will timely pay all Taxes shown as due and payable on the Comcast Tax Returns that have been or will be so Filed, and, as of the time of Filing, the Comcast Tax Returns correctly reflected the facts regarding the income, business, assets, operations, activities and the status of Comcast and the Comcast Subsidiaries (other than with respect to Taxes for which adequate reserves are reflected on the Comcast Balance Sheet); (c) Comcast and the Comcast Subsidiaries have made provision for all Taxes payable by Comcast and the Comcast Subsidiaries for which no Comcast Tax Return has yet been Filed; (d) there is no action, suit, proceeding, audit or claim currently proposed or pending against or with respect to Comcast or any Comcast Subsidiary in respect of any Tax where there is a reasonable possibility of an adverse determination; (e) the United States federal income Tax Returns of Comcast and the Comcast Subsidiaries have been examined and settled with the IRS (or the applicable statutes of limitation for the assessment of United States federal income Taxes for such periods have expired) for all years through 1993; (f) no extension of the statute of limitations on the assessment of any Taxes has been granted by Comcast or any Comcast Subsidiary and is currently in effect; (g) except for complete and accurate copies of Tax sharing agreements and amendments thereto made available to AT&T prior to the execution of this Agreement and listed in Section 5.16 of the Comcast Disclosure Schedule, no agreements relating to the allocation or sharing of Taxes exist between Comcast and/or any of the Comcast Subsidiaries, on the one hand, and a third party, on the other hand; and (h) there are no Liens for Taxes on any of the assets of Comcast or any Comcast Subsidiary except Liens for current Taxes not yet due and payable. "Taxes" means (i) any and all taxes, charges, fees, levies or other assessments, including all net income, gross income, gross receipts, excise, stamp, real or personal property, ad valorem, withholding, social security (or similar), unemployment, occupation, use, service, service use, license, net worth, payroll,

franchise, severance, transfer, recording, employment, premium, windfall profits, environmental, customs duties, capital stock, profits, disability, sales, registration, value added, alternative or add-on minimum, estimated or other taxes, assessments or charges imposed by any Governmental Authority and any interest, penalties, or additions to tax attributable thereto, (ii) liability for the payment of any amount imposed on any Person of the type described in clause (i) as a result of being or having been before the Effective Time a member of an affiliated, consolidated, combined or unitary group and (iii) any liability for the payment of any amount imposed on any Person of the type described in (i) as a result of any existing express or implied indemnification agreement or arrangement. "Tax Returns" means any return, report, form or similar statement required to be Filed with respect to any Tax (including any attached schedules), including any information return, claim for refund, amended return or declaration of estimated Tax.

SECTION 5.17. Tax Opinions. Neither Comcast nor any Comcast Subsidiary has taken any action or knows of any facts or circumstances relating to Comcast or any Comcast Subsidiary that would prevent (i) the ruling or opinion referred to in Section 10.01(j) from being obtained or (ii) Davis Polk & Wardwell from delivering the opinion referred to in Section 10.03(b) as of the date hereof.

SECTION 5.18. Employee Benefit Plans and Labor Matters. Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Comcast Material Adverse Effect:

(a) Section 5.18(a) of the Comcast Disclosure Schedule contains a true and complete list, as of the date hereof, of all Comcast Employee Plans and all Comcast Benefit Arrangements. Copies of each Comcast Employee Plan and each Comcast Benefit Arrangement (and, if applicable, related trust agreements) and all amendments thereto have been made available to AT&T as of the date hereof, together with the three most recent annual reports (Form 5500, including, if applicable, Schedule B thereto) and the most recent actuarial valuation report prepared in connection with any Comcast Employee Plan.

(b) Neither Comcast nor any ERISA Affiliate nor any predecessor thereof sponsors, maintains or contributes to any Comcast Employee Plan subject to Title IV of ERISA. Neither Comcast nor any ERISA Affiliate has any liability under Title IV of ERISA.

(c) As of September 30, 2001, the aggregate unfunded liability of Comcast and any Comcast Subsidiary in respect of all Comcast Deferred Compensation Plans, computed using reasonable actuarial assumptions and

determined as if all benefits under such plans were vested and payable as of such date, did not exceed \$180 million.

(d) Neither Comcast or any Comcast Subsidiary has any liability with respect of post-retirement health, medical or life insurance benefits for retired, former or current employees of Comcast or the Comcast Subsidiaries except as required to avoid excise tax under Section 4980B of the Code.

(e) Each Comcast Employee Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and a favorable determination letter is currently in effect for each such Comcast Employee Plan. To the knowledge of Comcast, no fact or circumstance exists giving rise to a material likelihood that such Comcast Employee Plan would not be treated as qualified by the Internal Revenue Service.

(f) There is no contract, plan or arrangement (written or otherwise) covering any employee or former employee of Comcast or any Comcast Subsidiary that, individually or in the aggregate, could give rise to the payment of any amount by Comcast or any Comcast Subsidiary that would not be deductible pursuant to the terms of Sections 162(m) or 280G of the Code.

(g) Comcast has made available to AT&T, as of the date hereof, a true and complete list and copies of each material Comcast International Plan, other than plans mandated by applicable law. According to the actuarial assumptions and valuations most recently used for the purpose of funding each Comcast International Plan (or, if the same has no such assumptions and valuations or is unfunded, according to actuarial assumptions and valuations in use by the PBGC on the date hereof), as of December 31, 2000, the total amount or value of the funds available under such Comcast International Plan to pay benefits accrued thereunder or segregated in respect of such accrued benefits, together with any reserve or accrual with respect thereto, exceeded the present value of all benefits (actual or contingent) accrued as of such date of all participants and past participants therein in respect of which Comcast or any Comcast Subsidiary has or would have after the Effective Time any obligation.

(h) Each Comcast Employee Plan, Comcast Benefit Arrangement and Comcast International Plan has been maintained in compliance with its terms and with the requirements prescribed by all applicable laws, statutes, orders, rules and regulations (including any special provisions relating to A-33 registration or qualification where such plan was intended to be so registered or qualified) and has been maintained in good standing with applicable Governmental Authorities.

(i) There has been no amendment to, written interpretation or announcement (whether or not written) by Comcast or any of its Affiliates relating to, or change in employee participation coverage under, a Comcast Employee Plan, Comcast Benefit Arrangement or Comcast International Plan which would increase materially the expense of maintaining such plan above the level of expense incurred in respect thereof for the Fiscal year ended December 31, 2000.

(j) No employee or former employee or independent contractor of Comcast or any Comcast Subsidiary will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced or increased such benefit (including acceleration of vesting or exercise of an incentive award) as a result of the transactions contemplated hereby (either alone or together with any other event).

(k) Section 5.18(k) of the Comcast Disclosure Schedule sets forth a list of all collective bargaining agreements to which Comcast or any of the Comcast Subsidiaries is a party. Neither Comcast nor any of the Comcast Subsidiaries is involved in or, to the knowledge of Comcast, threatened with any labor dispute, work stoppage, labor strike, slowdown or grievance. To the knowledge of Comcast, there is no organizing effort or representation question at issue with respect to any collective bargaining unit of Comcast or any of the Comcast Subsidiaries, or any employee of Comcast or any of the Comcast Subsidiaries.

(l) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted, and, to the knowledge of Comcast, no set of circumstances exists that may reasonably give rise to a claim or lawsuit, against any of the Comcast Benefit Arrangements, the Comcast Employee Plans and the Comcast International Plans, any fiduciaries thereof with respect to their duties thereto or the assets of any of the trusts thereunder, that could reasonably be expected to result in any material liability of Comcast or any of the Comcast Subsidiaries to the PBGC, the United States Department of Treasury, the United States Department of Labor, any foreign governmental authority, any Multiemployer Plan, any of the Comcast Benefit Arrangements, the Comcast Employee Plans and the Comcast International Plans, any participant therein, or any other Person.

SECTION 5.19. Environmental Matters. (a) Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Comcast Material Adverse Effect: (i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been Filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review is pending or, to the knowledge of Comcast, threatened by any Governmental Authority or other Person relating to or arising out of any

Environmental Law; (ii) Comcast is and has been in compliance with all Environmental Laws and all Environmental Permits; and (iii) there are no liabilities of Comcast or any Comcast Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise arising under or relating to any Environmental Law, and there are no facts, conditions, situations or set of circumstances that would reasonably be expected to result in, or be the basis for, any such liability.

(b) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted of which Comcast has knowledge in relation to the current or prior business of Comcast or any Comcast Subsidiary or any property or facility now or previously owned or leased by Comcast or any Comcast Subsidiary that reveal matters that, individually or in the aggregate, have had, or would reasonably be expected to have, a Comcast Material Adverse Effect. (c) For purposes of this Section 5.19, the terms "Comcast" and "Comcast Subsidiary" shall include any entity that is, in whole or in part, a predecessor of Comcast or any Comcast Subsidiary.

SECTION 5.20. Intellectual Property. With such exceptions as, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Comcast Material Adverse Effect, each of Comcast and the Comcast Subsidiaries owns or has a valid license or other right to use each trademark, service mark, trade name, invention, patent, trade secret, copyright, know-how (including any registrations or applications for registration of any of the foregoing) or any other similar type of proprietary intellectual property right (collectively, the "Comcast Intellectual Property") necessary to carry on its business substantially as currently conducted. Neither Comcast nor any Comcast Subsidiary has received any notice of infringement of or conflict with, and, to Comcast's knowledge, there are no infringements of or conflicts with, the rights of any Person with respect to the use of any Comcast Intellectual Property in the conduct of Comcast's business that, in either such case, individually or in the aggregate, have had or would reasonably be expected to have, a Comcast Material Adverse Effect.

SECTION 5.21. Contracts. Neither Comcast nor any of the Comcast Subsidiaries is a party to or bound by (a) any "material contract" (as defined in Item 601(b)(10) of Regulation S-K of the SEC) or any agreement, contract or commitment that would be such a "material contract" but for the exception for contracts entered into in the ordinary course of business or (b) any non-competition agreement or any other agreement or obligation that materially limits or will materially limit Comcast or any of the Comcast Subsidiaries (or, after the Mergers, Parent, AT&T Broadband or any of the AT&T Broadband Subsidiaries) from engaging in the business of providing telephony, data

transmission services, cable television or programming content. With such exceptions as, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Comcast Material Adverse Effect, (i) each of the contracts, agreements and commitments of Comcast and the Comcast Subsidiaries is valid and in full force and effect and (ii) neither Comcast nor any of the Comcast Subsidiaries has violated any provision of, or committed or failed to perform any act that, with or without notice, lapse of time, or both, would constitute a default under the provisions of any such contract, agreement or commitment. To the knowledge of Comcast, no counterparty to any such contract, agreement or commitment has violated any provision of, or committed or failed to perform any act that, with or without notice, lapse of time, or both would constitute a default or other breach under the provisions of, such contract, agreement or commitment, except for defaults or breaches that, individually or in the aggregate, have not had, and would not reasonably be expected to have, a Comcast Material Adverse Effect. Neither Comcast nor any Comcast Subsidiary is a party to, or otherwise a guarantor of or liable with respect to (including pursuant to any keepwell agreement), (i) any material interest rate, currency or other swap or derivative transaction (other than those entered into in the ordinary course of business solely for hedging purposes) or (ii) any Indebtedness of any other Person except a wholly owned Comcast Subsidiary. Neither Comcast nor any Comcast Subsidiary is a party to any joint venture or partnership agreement pursuant to which it is obligated to make capital contributions in excess of (x) \$25,000,000 during the current or any succeeding calendar year or (y) \$100,000,000 during the remaining term of such agreement. Subject to applicable confidentiality restrictions, Comcast has provided or made available to AT&T prior to the date hereof a copy of each agreement of the type described in clause (a) or (b) in the First sentence of this Section 5.21, in clause (i) or (ii) of the second preceding sentence of this Section 5.21 or in the immediately preceding sentence.

SECTION 5.22. Vote Required. The only votes of the holders of any class or series of capital stock of Comcast that are or may be necessary to approve and adopt this Agreement and the transactions contemplated hereby and the Parent Charter that will be implemented at the Effective Time, including its corporate governance provisions, are (i) the affirmative vote of the holders of shares of Comcast Common Stock representing a majority of the votes cast by such holders in favor of the approval and adoption of this Agreement and the transactions contemplated hereby (the "Comcast Transaction Approval") and (ii) the affirmative vote of the holders of shares of Comcast Common Stock representing a majority of the votes cast by such holders in favor of approval of the Parent Charter, including its corporate governance provisions (the "Comcast Parent Charter Approval" and together with the Comcast Transaction Approval, the "Comcast Shareholders' Approvals"). Notwithstanding the preceding sentence,

the Preferred Structure Approval is required in order to effect the provisions hereof that are expressly subject to obtaining the Preferred Structure Approval. Assuming Comcast Shareholder (or its successor) votes to approve proposals in respect of each of the Comcast Shareholders' Approvals in accordance with the terms of the Support Agreement, no vote or consent of any other holder of any class or series of capital stock of Comcast will be required to approve such proposals, except that the Preferred Structure Approval is required in order to effect the provisions hereof that are expressly subject to obtaining the Preferred Structure Approval.

SECTION 5.23. Antitakeover Statutes. Comcast has taken all action necessary to exempt the Comcast Merger and this Agreement and the transactions contemplated hereby from the restrictions of Section 2555 of the PBCL or otherwise to make such provisions inapplicable to this Agreement and the transactions contemplated hereby, and, accordingly, neither of Section 2555 of the PBCL nor any other antitakeover or similar statute or regulation applies or purports to apply to any such transactions. No other "control share acquisition", "fair price", "moratorium" or other antitakeover laws or regulations enacted under any United States federal, state or local or foreign laws apply to this Agreement or any of the transactions contemplated hereby.

SECTION 5.24. AT&T Securities. Neither Comcast nor any Comcast Subsidiary owns any AT&T Securities.

SECTION 5.25. Transactions with Affiliates. Except as set forth in Section 5.25 of the Comcast Disclosure Schedule, none of Comcast or any Comcast Subsidiary is a party (and since December 31, 2000 none of Comcast or any Comcast Subsidiary has been a party) to any material business arrangement or business relationship with any Comcast Affiliate (other than another member of the Comcast Group), and no Comcast Affiliate (other than another member of the Comcast Group) owns (or has owned since such date) any material property or right, tangible or intangible, that is used in the business of any member of the Comcast Group.

SECTION 5.26. Investments. Section 5.26 of the Comcast Disclosure Schedule sets forth a list of each material investment of Comcast or any Comcast Subsidiary in any Person (other than a Subsidiary). Neither Comcast nor any Comcast Subsidiary has any material liability in respect of any such investment.

SECTION 5.27. No Approval Rights. Comcast has not granted any third party any right to approve any waiver that Comcast may elect to grant to AT&T under Section 8.01(d)(xiii).

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF AT&T

Except as set forth (i) in the AT&T Disclosure Schedule, regardless of whether the relevant Section herein refers to the AT&T Disclosure Schedule, or (ii) (except with respect to Sections 6.08(c), 6.26, 6.27 and 6.28) in the Specified AT&T SEC Documents Filed prior to the date hereof (to the extent the relevance of any disclosure in any of such Specified AT&T SEC Documents to the AT&T Broadband Group is reasonably apparent on the face of such disclosure), AT&T represents and warrants to Comcast as follows:

SECTION 6.01. Corporate Existence and Power. Each of AT&T and the AT&T Subsidiaries that is or will be a party to a Transaction Agreement is a corporation or other entity duly incorporated or formed, validly existing and in good standing under the laws of the state of its incorporation or formation and has all corporate or other powers required to carry on its business as currently conducted. Each of AT&T and the AT&T Subsidiaries that is or will be a party to a Transaction Agreement is duly qualified to do business and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified, individually or in the aggregate, has not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect. AT&T has heretofore delivered or made available to Comcast true and complete copies of the certificate of incorporation, bylaws or other organizational document of AT&T and each AT&T Subsidiary that is or will be a party to a Transaction Agreement, as currently in effect.

SECTION 6.02. Corporate Authorization. (a) The execution, delivery and performance by AT&T and the AT&T Subsidiaries of the Transaction Agreements to which they are or will be party and the consummation by AT&T and the AT&T Subsidiaries of the transactions contemplated hereby and thereby are within AT&T's and the AT&T Subsidiaries' corporate or other powers and, except for the AT&T Shareholders' Approvals to the extent required by law, have been duly authorized by all necessary corporate action on the part of AT&T and the AT&T Subsidiaries. Each Transaction Agreement to which AT&T or any AT&T Subsidiary is or will be a party constitutes or will when executed constitute a valid and binding agreement of AT&T and each AT&T Subsidiary that is a party thereto, enforceable against AT&T and each such AT&T Subsidiary in accordance with its terms, except (i) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights and (ii) for the limitations imposed by general principles of equity.

(b) At meetings duly called and held, AT&T's Board of Directors and AT&T Broadband's Board of Directors (i) determined that this Agreement and the transactions contemplated hereby are fair to and in the best interests of AT&T shareholders and AT&T Broadband shareholders, respectively; (ii) approved and adopted this Agreement and the transactions contemplated hereby; and (iii) resolved to recommend approval of proposals in respect of each of the AT&T Shareholders' Approvals by AT&T shareholders (subject to Section 8.02(b)) and AT&T Broadband shareholders, respectively.

(c) At meetings duly called and held, each of AT&T's Board of Directors and AT&T Broadband's Board of Directors unanimously approved the Separation and the Distribution pursuant to the Separation and Distribution Agreement. AT&T and AT&T Broadband have entered into the Separation and Distribution Agreement.

(d) AT&T, as sole shareholder of AT&T Broadband as of the date hereof, has adopted this Agreement and the transactions contemplated hereby, including the AT&T Broadband Merger.

SECTION 6.03. Governmental Authorization. The execution, delivery and performance by AT&T and the AT&T Subsidiaries of the Transaction Agreements to which they are or will be party and the consummation by AT&T and the AT&T Subsidiaries of the transactions contemplated hereby and thereby require no action by or in respect of, or Filing with, any Governmental Authority, other than (a) notices to, consents or waivers from, the relevant Franchising Authorities in respect of the Franchises for the Systems owned and operated by AT&T or the AT&T Subsidiaries (the "AT&T Franchise Consents" and, together with the Comcast Franchise Consents, the "Franchise Consents")), and the FCC in connection with a change of control and/or assignment of the holder of the FCC licenses and social contracts of AT&T or the AT&T Subsidiaries (the "AT&T License Consents" and, together with the Comcast License Consents, the "License Consents"); (b) notices to, consents or waivers from the state public service and public utilities commissions having jurisdiction over the assets of AT&T and the AT&T Subsidiaries (the "AT&T PUC Consents" and, together with the Comcast PUC Consents, the "PUC Consents"); (c) the Filing of the DE Certificate of Merger pursuant to the DGCL and appropriate documents with the relevant authorities of other states in which AT&T is qualified to do business; (d) compliance with any applicable requirements of the HSR Act; (e) compliance with any applicable requirements of the 1933 Act, the 1934 Act and any other applicable securities laws, whether United States state or foreign; (f) notices, consents, waivers, approvals and Filings necessary in connection with the Separation and set forth on Section 6.03 of the AT&T Disclosure Schedule; and (g) any actions or Filings the absence of which, individually or in the aggregate,

would not reasonably be expected to have an AT&T Broadband Material Adverse Effect or prohibit or materially impair or delay the ability of AT&T and the AT&T Subsidiaries to consummate the transactions contemplated by this Agreement and the other Transaction Agreements.

SECTION 6.04. Non-contravention. The execution, delivery and performance by AT&T and the AT&T Subsidiaries of the Transaction Agreements to which they are or will be party and the consummation by AT&T and the AT&T Subsidiaries of the transactions contemplated hereby and thereby do not and will not (a) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation, bylaws or other organizational document of AT&T or any AT&T Subsidiary; (b) assuming compliance with the matters referred to in Section 6.03, contravene, conflict with or result in a violation or breach of any provision of any applicable law, statute, ordinance, rule, regulation, judgment, injunction, order or decree; (c) assuming compliance with the matters referred to in Section 6.03, require any consent or other action by any Person under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or cause or permit the termination, cancellation, acceleration, triggering or other change of any right or obligation or the loss of any benefit to which AT&T or any AT&T Subsidiary is entitled under (i) any provision of any agreement or other instrument binding upon AT&T or any AT&T Subsidiary or any of their respective assets or properties or (ii) any license, franchise, permit, certificate, approval or other similar authorization held by, or affecting, or relating in any way to, the assets, properties or business of AT&T or any AT&T Subsidiary; or (d) result in the creation or imposition of any Lien on any asset or property of AT&T or any AT&T Subsidiary, other than such exceptions in the case of clauses (b), (c) and (d) above as would not, individually or in the aggregate, reasonably be expected to have an AT&T Broadband Material Adverse Effect or prohibit or materially impair or delay the ability of AT&T or any AT&T Subsidiary to consummate the transactions contemplated by any of the Transaction Agreements.

SECTION 6.05. Capitalization. (a) The authorized capital stock of AT&T consists of (i) 16,400,000,000 shares of Common Stock, of which (A) 6,000,000,000 shares have been designated AT&T Common Stock, (B) 4,000,000,000 shares have been designated Class A Liberty Media Group Common Stock, (C) 400,000,000 shares have been designated Class B Liberty Media Group Common Stock and (D) 6,000,000,000 shares have been designated Wireless Group Common Stock, and (ii) 100,000,000 shares of preferred stock, \$1.00 par value per share, of which (A) 1,500,000 shares have been designated Wireless Group Preferred Tracking Stock ("Wireless Preferred Stock"), (B) 1,000,000 shares have been designated Series E Convertible Preferred Stock ("Series E Preferred Stock") and (C) 2,000,000 shares have been designated

Subsidiary Exchangeable Preferred Stock ("AT&T Subsidiary Preferred Stock"). As of the close of business on November 30, 2001, there were outstanding (1) 3,540,410,643 shares of AT&T Common Stock (exclusive of all shares of restricted stock granted under any compensatory plans or arrangements), (2) no shares of Class A Liberty Media Group Common Stock, (3) no shares of Class B Liberty Media Group Common Stock, (4) no shares of Wireless Group Common Stock, (5) compensatory stock options to purchase an aggregate of 313,598,348 shares of AT&T Common Stock (of which options to purchase an aggregate of approximately 170,242,786 shares of AT&T Common Stock were exercisable), (6) phantom shares, stock units, stock appreciation rights or other stock-based awards issued under any stock option, compensation or deferred compensation plan or arrangement with respect to an aggregate of 12,492,305 shares of AT&T Common Stock, (7) 52,808,000 shares of AT&T Common Stock reserved for issuance under the Warrants issued pursuant to the Warrant Agreement dated as of June 16, 1999 between AT&T and The Bank of New York, as Warrant Agent (the "Warrants"), (8) 88,015,773 shares of AT&T Common Stock issuable upon conversion of the QUIPS, (9) 52,347,844 shares of AT&T Common Stock reserved for issuance upon exchange (and shares of AT&T Common Stock issuable upon redemption in accordance with the terms thereof) of the Class A Senior Cumulative Exchangeable Preferred Stock of TCI Pacific Communications, Inc. (the "TCI Pacific Preferred Stock"), (10) no shares of Wireless Preferred Stock, (11) no shares of Series E Preferred Stock, (12) 424,627 shares of AT&T Subsidiary Preferred Stock held by AT&T Broadband Subsidiaries that are directly or indirectly wholly owned Subsidiaries of AT&T, (13) 94,163 shares of AT&T Subsidiary Preferred Stock held by T-Holdings and/or one of its Subsidiaries and (14) 241,002 shares of AT&T Subsidiary Preferred Stock held by UAI and/or one of its Subsidiaries. As of November 30, 2001, 851,782,532 shares of AT&T Common Stock were held in treasury. No shares of AT&T Common Stock are held by any Subsidiary of AT&T. All outstanding shares of capital stock of AT&T have been, and all shares that may be issued pursuant to any compensatory plan or arrangement will be, when issued in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and nonassessable.

(b) Except as set forth in this Section 6.05 and for changes since November 30, 2001 resulting from the exercise of options to purchase AT&T Common Stock, stock appreciation rights with respect to AT&T Common Stock and AT&T restricted stock or equity awards based upon shares of AT&T Common Stock outstanding on such date, including, for the avoidance of doubt, options to purchase stock under the AT&T ESPP (and the grant or award of options to purchase AT&T Common Stock, stock appreciation rights with respect to AT&T Common Stock and AT&T restricted stock or equity awards based upon shares of AT&T Common Stock in the ordinary course of business and the

exercise thereof, including, for the avoidance of doubt, options to purchase stock under the AT&T ESPP) or resulting from the exercise or conversion of the Warrants or the QUIPS, or the exchange or redemption of the TCI Pacific Preferred Stock, or as otherwise expressly contemplated hereby or by the other Transaction Agreements, there are no outstanding (i) shares of capital stock or voting securities of AT&T, (ii) securities of AT&T or any AT&T Subsidiary convertible into or exchangeable for shares of capital stock or voting securities of AT&T or (iii) options or other rights to acquire from AT&T or any AT&T Subsidiary, or other obligations of AT&T or any AT&T Subsidiary to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of AT&T. There are no outstanding obligations of AT&T or any AT&T Subsidiary to repurchase, redeem or otherwise acquire any of the securities referred to in clause (i), (ii) or (iii) above (collectively, the "AT&T Securities").

SECTION 6.06. AT&T Broadband and AT&T Broadband Subsidiaries. (a) Each of AT&T Broadband and the AT&T Broadband Subsidiaries is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and has all corporate, partnership or other similar powers required to carry on its business as currently conducted, other than such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect. Each of AT&T Broadband and the AT&T Broadband Subsidiaries is duly qualified to do business as a foreign corporation or other foreign legal entity and is in good standing in each jurisdiction where such qualification is necessary, other than such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect. Section 6.06(a) of the AT&T Disclosure Schedule sets forth a list of all AT&T Significant Broadband Subsidiaries and their respective jurisdictions of organization.

(b) All of the outstanding capital stock of, or other voting securities or ownership interests in, AT&T Broadband is (as of the date hereof) and will be (immediately prior to the Distribution) directly owned by AT&T, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests). All of the outstanding capital stock of, or other voting securities or ownership interests in, each AT&T Significant Broadband Subsidiary is, as of the date hereof, owned by AT&T and will, at the Effective Time, be owned by AT&T Broadband, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests). There are no outstanding (i) securities of AT&T

or any AT&T Subsidiary convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in AT&T Broadband or any AT&T Significant Broadband Subsidiary or (ii) options or other rights to acquire from AT&T or any AT&T Subsidiary, or other obligations of AT&T or any AT&T Subsidiary to issue, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for any capital stock or other voting securities or ownership interests in, AT&T Broadband or any AT&T Significant Broadband Subsidiary. Except for the TCI Pacific Preferred Stock, there are no outstanding obligations of AT&T or any AT&T Subsidiary to repurchase, redeem or otherwise acquire any of the items referred to in clauses (i) and (ii) above.

(c) At the time of the Distribution, subject to Section 4.01 of the Separation and Distribution Agreement, the issued and outstanding capital stock of AT&T Broadband will consist of (i) 4,225,151,640 shares of AT&T Broadband Common Stock and (ii) 753,197,104.7 shares of AT&T Broadband Class A Common Stock. In the Distribution, subject to Section 4.01 of the Separation and Distribution Agreement, AT&T will distribute to each holder of AT&T Common Stock one share of AT&T Broadband Common Stock per share of AT&T Common Stock and will cancel all shares of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock other than (i) the shares distributed to the holders of AT&T Common Stock in the Distribution, (ii) the shares delivered to Microsoft in the QUIPS Exchange and (iii) the shares held by AT&T Broadband Subsidiaries. All of the shares of AT&T Broadband Common Stock and AT&T Broadband Class A Common Stock have been or will be prior to the Effective Time duly authorized and validly issued and fully paid and nonassessable. After giving effect to the Distribution, subject to Section 4.01 of the Separation and Distribution Agreement, neither AT&T nor any AT&T Subsidiary will own any shares of AT&T Broadband Common Stock or any other capital stock or other equity interest in AT&T Broadband other than shares of AT&T Broadband Class A Common Stock held by AT&T Broadband Subsidiaries.

SECTION 6.07. SEC Filings. (a) AT&T has delivered or made available to Comcast (i) AT&T's annual reports on Form 10-K for its Fiscal years ended December 31, 2000, 1999 and 1998, (ii) AT&T's proxy or information statements relating to meetings of, or actions taken without a meeting by, AT&T shareholders held since December 31, 1998, and (iii) all of AT&T's other reports, statements, schedules and registration statements Filed with the SEC since December 31, 1998 (the documents referred to in clauses (i), (ii) and (iii) above, collectively, the "AT&T SEC Documents").

(b) As of its Filing date (and, if amended or superceded by a Filing prior to the date of this Agreement or the Effective Time, then on the date of such Filing), each AT&T SEC Document complied as to form in all material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be.

(c) As of its Filing date (and, if amended or superceded by a Filing prior to the date of this Agreement or the Effective Time, then on the date of such Filing), each AT&T SEC Document Filed pursuant to the 1934 Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) Each AT&T SEC Document that is a registration statement, as amended or supplemented, if applicable, Filed pursuant to the 1933 Act, as of the date such registration statement or amendment became effective, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

SECTION 6.08. Financial Statements. (a) The audited consolidated Financial statements and unaudited consolidated interim Financial statements of AT&T included in the AT&T SEC Documents fairly present, in all material respects, in conformity with GAAP applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated Financial position of AT&T and its consolidated Subsidiaries as of the respective dates thereof and their consolidated results of operations and cash Flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim Financial statements).

(b) The unaudited combined Financial statements and unaudited combined interim Financial statements of the AT&T Broadband Group are attached as Exhibit E, and subject to and reflecting the assumptions set forth in the notes thereto, fairly present, in all material respects, in conformity with GAAP applied on a consistent basis (except as may be indicated in the notes thereto), the combined Financial position of the AT&T Broadband Group as of the respective dates thereof and its combined results of operations and cash Flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim Financial statements).

(c) Except as set forth in Section 6.08(c) of the AT&T Disclosure Schedule, the Financial statements as of and for the period ending September 30, 2001 attached as Exhibit E reflect in all material respects the transactions contemplated by the Ancillary Agreements as if such agreements had been in

effect during the nine month period covered by such Financial statements. Section 6.08(c) of the AT&T Disclosure Schedule describes all material allocations and charges relating to affiliated and intercompany transactions used in connection with the preparation of the Financial statements attached as Exhibit E.

SECTION 6.09. Information Supplied. The information supplied by AT&T for inclusion or incorporation in the Registration Statement shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The information supplied by AT&T for inclusion in the Joint Proxy Statement shall not, on the date the Joint Proxy Statement is First mailed to the shareholders of each of Comcast and AT&T, at the time of the Comcast Shareholders' Meeting, at the time of the AT&T Shareholders' Meeting or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 6.10. Absence of Certain Changes. Except as expressly contemplated hereby or by the Transaction Agreements, (a) the business of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and the AT&T Broadband Subsidiaries has been conducted (i) since the AT&T Broadband Balance Sheet Date, for the benefit of the AT&T Broadband Group (it being understood that since the AT&T Broadband Balance Sheet Date the AT&T Communications Group has been conducted for the benefit of the AT&T Communications Group and that the interests of the AT&T Broadband Group and the AT&T Communications Group may not have coincided) and (ii) since December 31, 2000, in the ordinary course of business consistent with past practices, and (b) there has not been (i) since December 31, 2000, any event, occurrence or development of a state of circumstances or facts that, individually or in the aggregate, has had or would reasonably be expected to have an AT&T Broadband Material Adverse Effect or (ii) since the AT&T Broadband Balance Sheet Date, any action, event, occurrence or transaction that would have been prohibited by clause (iii), (iv), (vii), (viii), (ix) or (xviii) of Section 8.01 if this Agreement had been in effect at the time thereof or any agreement, arrangement or commitment in respect of any action, event, occurrence or transaction that would have been prohibited by the foregoing clauses of Section 8.01 if this Agreement had been in effect at the time thereof.

SECTION 6.11. No Undisclosed Material Liabilities. There are no liabilities or obligations of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any AT&T

Broadband Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in such a liability or obligation, other than:

(a) liabilities or obligations disclosed and provided for in the AT&T Broadband Balance Sheet or in the notes thereto;

(b) liabilities or obligations incurred since the AT&T Broadband Balance Sheet Date in the ordinary course of business of the AT&T Broadband Group consistent with past practice;

(c) liabilities or obligations under commercial transactions and agreements in accordance with their terms or arising in compliance with applicable laws, statutes, ordinances, rules or regulations; or

(d) liabilities or obligations that, individually or in the aggregate, have not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect.

SECTION 6.12. Compliance with Laws and Court Orders. Except as set forth in Section 6.12 of the AT&T Disclosure Schedule, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and the AT&T Broadband Subsidiaries hold all licenses, franchises, certificates, consents, permits, qualifications and authorizations from all Governmental Authorities necessary for the lawful conduct of their business, except where the failure to hold any of the foregoing, individually or in the aggregate, has not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect. AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and each of the AT&T Broadband Subsidiaries are, and have been in compliance with, and to the knowledge of AT&T, are not under investigation with respect to and have not been threatened to be charged with or given notice of any violation of, any such license, franchise, certificate, consent, permit, qualification or authorization or any applicable law, statute, ordinance, rule, regulation, judgment, injunction, order or decree, except for failures to comply or violations that, individually or in the aggregate, have not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect.

SECTION 6.13. Litigation. There is no action, suit, investigation or proceeding (or any basis therefor) pending against, or, to the knowledge of AT&T, threatened against or affecting AT&T, the AT&T Broadband Group or any AT&T Subsidiary, or any of their respective assets or properties before any court or arbitrator or before or by any other Governmental Authority, that, individually or

in the aggregate, would reasonably be expected to have an AT&T Broadband Material Adverse Effect.

SECTION 6.14. Finders' Fees. Except for Credit Suisse First Boston and Goldman Sachs & Co., whose fees, subject to Section 11.03(a), will be paid by AT&T Broadband, there is no investment banker, broker, Lender or other intermediary that has been retained by or is authorized to act on behalf of AT&T or any AT&T Subsidiary who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement and the other Transaction Agreements. A copy of AT&T's engagement agreement with each of Goldman Sachs & Co. and Credit Suisse First Boston have been provided to Comcast.

SECTION 6.15. Opinion of Financial Advisor. AT&T has received an opinion of each of Credit Suisse First Boston and Goldman, Sachs & Co., Financial advisors to AT&T, to the effect that, as of the date hereof, the exchange ratio in the AT&T Broadband Merger is fair, from a Financial point of view, to the shareholders of AT&T who will become shareholders of AT&T Broadband pursuant to the Separation and Distribution Agreement (other than Comcast and its Affiliates).

SECTION 6.16. Taxes. Except as would not, individually or in the aggregate, reasonably be expected to have an AT&T Broadband Material Adverse Effect, (a) all AT&T and AT&T Subsidiary Tax Returns required to be Filed on or before the Effective Time with any taxing authority by, or with respect to, AT&T and the AT&T Subsidiaries have been or will be timely Filed (taking into account extensions) and are or will be correct in all respects (other than with respect to Taxes for which adequate reserves are reflected on the AT&T Balance Sheet and, to the extent related to the AT&T Broadband Group, AT&T Broadband or an AT&T Broadband Subsidiary, on the AT&T Broadband Balance Sheet); (b) AT&T and the AT&T Subsidiaries have timely paid or will timely pay all Taxes shown as due and payable on the AT&T Tax Returns that have been or will be so Filed, and, as of the time of Filing, the AT&T Tax Returns correctly reflected the facts regarding the income, business, assets, operations, activities and the status of AT&T and the AT&T Subsidiaries (other than with respect to Taxes for which adequate reserves are reflected on the AT&T Balance Sheet and, to the extent related to the AT&T Broadband Group, AT&T Broadband or an AT&T Broadband Subsidiary, on the AT&T Broadband Balance Sheet); (c) AT&T and the AT&T Subsidiaries have made provision for all Taxes payable by AT&T and the AT&T Subsidiaries for which no AT&T Tax Return has yet been Filed; (d) there is no action, suit, proceeding, audit or claim currently proposed or pending against or with respect to AT&T or any AT&T Subsidiary in respect of any Tax where there is a reasonable possibility of an adverse determination; (e) the United

States federal income Tax Returns of AT&T and the AT&T Subsidiaries have been examined and settled with the IRS (or the applicable statutes of limitation for the assessment of United States federal income Taxes for such periods have expired) for all years through 1992; (f) no extension of the statute of limitations on the assessment of any Taxes has been granted by AT&T or any AT&T Subsidiary and is currently in effect; (g) except for complete and accurate copies of Tax sharing agreements and amendments thereto made available to Comcast prior to the execution of this Agreement and listed in Section 6.16 of the AT&T Disclosure Schedule, no agreements relating to the allocation or sharing of Taxes exist between AT&T and/or any of the AT&T Subsidiaries, on the one hand, and a third party, on the other hand; and (h) there are no Liens for Taxes on any of the assets of AT&T or any AT&T Subsidiary except Liens for current Taxes not yet due and payable.

SECTION 6.17. Tax Opinions. Neither AT&T nor any AT&T Subsidiary has taken any action or knows of any facts or circumstances relating to AT&T or any AT&T Subsidiary that would prevent (i) the ruling or opinion referred to in Section 10.01(j) from being obtained or (ii) Wachtell, Lipton, Rosen & Katz from delivering the opinion referred to in Section 10.02(b) as of the date hereof.

SECTION 6.18. Employee Benefit Plans and Labor Matters. Except as have not had and would not reasonably be expected to have, individually or in the aggregate, an AT&T Broadband Material Adverse Effect:

(a) Section 6.18(a) of the AT&T Disclosure Schedule contains a true and complete list, as of the date hereof, of all Broadband Employee Plans and all Broadband Benefit Arrangements. Copies of each Broadband Employee Plan and Broadband Benefit Arrangement (and, if applicable, related trust agreements) and all amendments thereto have been made available to Comcast as of the date hereof, together with the three most recent annual reports (Form 5500 including, if applicable, Schedule B thereto) and the most recent actuarial valuation report prepared in connection with any Broadband Employee Plan.

(b) No "accumulated funding deficiency" (as defined in Section 412 of the Code) has been incurred with respect to any Broadband Employee Plan subject to such Section 412 of the Code, whether or not waived. No "reportable event" (within the meaning of Section 4043 of ERISA) for which the 30-day notice period has not been waived, and no event described in Section 4062 or 4063 of ERISA, has occurred in connection with any Broadband Employee Plan. Neither AT&T nor any ERISA Affiliate of AT&T has (i) engaged in, or is a successor or parent corporation to an entity that has engaged in, a transaction described in Sections 4069 or 4212(c) of ERISA or (ii) incurred, or reasonably expects to incur prior to the Effective Time, (A) any liability under Title IV of ERISA arising in

connection with the termination of, or a complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA or (B) any liability under Section 4971 of the Code that in either case could become a liability of Parent, AT&T Broadband, any AT&T Broadband Subsidiary, Comcast, any Comcast Subsidiary, or any of their respective ERISA Affiliates after the Effective Time. No Broadband Employee Plan is a Multiemployer Plan.

(c) As of June 30, 2001, the fair market value of the assets of each Broadband Pension Plan (excluding for these purposes any accrued but unpaid contributions) exceeded the present value of the pension benefit obligations accrued under such Broadband Pension Plan calculated pursuant to SFAS No. 87, "Employers' Accounting for Pensions". As of September 30, 2001, the aggregate unfunded liability of AT&T and any AT&T Subsidiary in respect of all Broadband Deferred Compensation Plans, computed using reasonable actuarial assumptions and determined as if all benefits under such plans were vested and payable as of such date, did not exceed \$132 million.

(d) Neither AT&T, AT&T Broadband nor any AT&T Broadband Subsidiary has any liability with respect of post-retirement health, medical or life insurance benefits for retired, former or current Broadband Employees except as to required to avoid excise tax under Section 4980B of the Code.

(e) Each Broadband Employee Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and a favorable determination letter is currently in effect for each such Broadband Employee Plan. To the knowledge of AT&T, no fact or circumstance exists giving rise to a material likelihood that such Broadband Employee Plan would not be treated as qualified by the Internal Revenue Service.

(f) There is no contract, plan or arrangement (written or otherwise) covering any Broadband Employee that, individually or in the aggregate, could give rise to the payment of any amount by AT&T Broadband or any of the AT&T Broadband Subsidiaries that would not be deductible pursuant to the terms of Sections 162(m) or 280G of the Code.

(g) AT&T has made available to Comcast, as of the date hereof, a true and complete list and copies of each material Broadband International Plan, other than plans mandated by applicable law.

(h) Each Broadband Employee Plan, Broadband Benefit Arrangement and Broadband International Plan has been maintained in compliance with its terms and with the requirements prescribed by all applicable laws, statutes, orders, rules and regulations (including any special provisions relating to registration or

qualification where such plan was intended to be so registered or qualified) and has been maintained in good standing with applicable Governmental Authorities.

(i) There has been no amendment to, written interpretation or announcement (whether or not written) by AT&T or any of its Affiliates relating to, or change in employee participation coverage under, a Broadband Employee Plan, Broadband Benefit Arrangement or Broadband International Plan which would increase materially the expense of maintaining such plan above the level of expense incurred in respect thereof for the Fiscal year ended December 31, 2000.

(j) No Broadband Employee, former Broadband Employee or independent contractor of AT&T Broadband or any of the AT&T Broadband Subsidiaries, will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit (including acceleration of vesting or exercise of an incentive award) as a result of the transactions contemplated hereby (either alone or together with any other event).

(k) Section 6.18(k) of the AT&T Disclosure Schedule sets forth a list of all collective bargaining agreements to which AT&T Broadband or any of the AT&T Broadband Subsidiaries is a party or otherwise covering any employee of AT&T Broadband or any of the AT&T Broadband Subsidiaries. None of AT&T, AT&T Broadband nor any of the AT&T Broadband Subsidiaries is involved in, or to the knowledge of AT&T, threatened with any labor dispute, work stoppage, labor strike, slowdown or grievance relating to the AT&T Broadband Group. To the knowledge of AT&T, there is no organizing effort or representation question at issue with respect to any collective bargaining unit of AT&T Broadband or any of the AT&T Broadband Subsidiaries or any employee of AT&T Broadband or any of the AT&T Broadband Subsidiaries.

(l) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted, and, to the knowledge of AT&T, no set of circumstances exists that may reasonably give rise to a claim or lawsuit, against any of the Broadband Benefit Arrangements, the Broadband Employee Plans and the Broadband International Plans, any Fiduciaries thereof with respect to their duties thereto or the assets of any of the trusts thereunder, that could reasonably be expected to result in any material liability of AT&T or any of the AT&T Subsidiaries to the PBGC, the United States Department of Treasury, the United States Department of Labor, any foreign governmental authority, any Multiemployer Plan, any of the Broadband Benefit Arrangements, the Broadband Employee Plans and the Broadband International Plans, any participant therein, or any other Person.

SECTION 6.19. Environmental Matters. (a) Except as have not had and would not reasonably be expected to have, individually or in the aggregate, an AT&T Broadband Material Adverse Effect:

(i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been Filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review is pending or, to the knowledge of AT&T, threatened by any Governmental Authority or other Person with respect to AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, any AT&T Broadband Subsidiary or the AT&T Broadband Group relating to or arising out of any Environmental Law;

(ii) each member of AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, the AT&T Broadband Subsidiaries and the AT&T Broadband Group is and has been in compliance with all Environmental Laws and all Environmental Permits; and

(iii) there are no liabilities of AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, the AT&T Broadband Subsidiaries or the AT&T Broadband Group of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise arising under or relating to any Environmental Law, and there are no facts, conditions, situations or set of circumstances that would reasonably be expected to result in, or be the basis for, any such liability.

(b) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted of which AT&T has knowledge in relation to the current or prior business of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any AT&T Broadband Subsidiary or any property or facility now or previously owned or leased by the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any AT&T Broadband Subsidiary that reveal matters that, individually or in the aggregate, have had, or would reasonably be expected to have, an AT&T Broadband Material Adverse Effect.

(c) For purposes of this Section 6.19, the terms "AT&T Broadband Group", "AT&T (to the extent relating to the AT&T Broadband Group)", "AT&T Broadband" and "AT&T Broadband Subsidiary" shall include any entity that is, in whole or in part, a predecessor of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any AT&T Broadband Subsidiary.

SECTION 6.20. Intellectual Property. The Transaction Agreements, taken as a whole, including the Separation and Distribution Agreement and the assets transferred thereby, the Intellectual Property Agreement (as defined in the Separation and Distribution Agreement) and the intellectual property licenses granted thereby and the other Ancillary Agreements and all services furnished thereby provide sufficient rights in or access to intellectual property owned by AT&T to enable the AT&T Broadband Group, without violating such AT&T intellectual property, to conduct its business immediately after the Effective Time in all material respects as that business was conducted by the AT&T Broadband Group immediately prior to the Effective Time. Neither AT&T nor any AT&T Subsidiary has received any notice of infringement of or conflict with, and, to AT&T's knowledge, there are no infringements of or conflicts with, the rights of any Person with respect to the use of any trademark, service mark, trade name, invention, patent, trade secret, copyright, know-how (including any registrations or applications for registration of any of the foregoing) or any other similar type of proprietary intellectual property right that, in either such case, individually or in the aggregate, have had or would reasonably be expected to have, an AT&T Broadband Material Adverse Effect.

SECTION 6.21. Contracts. Except as set forth in Section 6.21 of the AT&T Disclosure Schedule and except as may relate to TWE or At Home, neither AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband nor any of the AT&T Broadband Subsidiaries is a party to or bound by (a) any "material contract" (as defined in Item 601(b)(10) of Regulation S-K of the SEC) or any agreement, contract or commitment that would be such a "material contract" but for the exception for contracts entered into in the ordinary course of business, (b) any non-competition agreement or any other agreement or obligation that materially limits or will materially limit AT&T Broadband, the AT&T Broadband Group or the AT&T Broadband Subsidiaries (or, after the Mergers, Parent, Comcast or any of the Comcast Subsidiaries) from engaging in the business of providing telephony, data transmission services, cable television or programming content, or (c) any agreement, contract or commitment to which Liberty Media Corporation, AT&T Wireless or any of their respective Subsidiaries is a party that is material to or not in the ordinary course of business of the AT&T Broadband Group. With such exceptions as, individually or in the aggregate, have not had, and would not reasonably be expected to have, an AT&T Broadband Material Adverse Effect and except as may relate to TWE or At Home, (i) each of the contracts, agreements and commitments of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and the AT&T Broadband Subsidiaries is valid and in full force and effect and (ii) neither the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband nor any of the AT&T

Broadband Subsidiaries has violated any provision of, or committed or failed to perform any act that, with or without notice, lapse of time, or both, would constitute a default under the provisions of, any such contract, agreement or commitment. To the knowledge of AT&T, no counterparty to any such contract, agreement or commitment has violated any provision of, or committed or failed to perform any act that, with or without notice, lapse of time, or both would constitute a default or other breach under the provisions of such contract, agreement or commitment, except for defaults or breaches that, individually or in the aggregate, have not had, or would not reasonably be expected to have, an AT&T Broadband Material Adverse Effect. Except as set forth in Section 6.21 of the AT&T Disclosure Schedule and except as may relate to TWE or At Home, neither AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband nor any AT&T Broadband Subsidiary is a party to, or otherwise a guarantor of or liable with respect to (including pursuant to any keepwell agreement), (i) any material interest rate, currency or other swap or derivative transaction (other than those entered into in the ordinary course of business solely for hedging purposes) or (ii) any Indebtedness of any other Person except a wholly owned AT&T Broadband Subsidiary. Except as set forth in Section 6.21 of the AT&T Disclosure Schedule and except as may relate to TWE or At Home, neither AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband nor any AT&T Broadband Subsidiary is a party to any joint venture or partnership agreement pursuant to which it is obligated to make capital contributions in excess of (x) \$25,000,000 during the current or any succeeding calendar year or (y) \$100,000,000 during the remaining term of such agreement. Subject to applicable confidentiality restrictions, AT&T has provided or made available to Comcast prior to the date hereof a copy of each agreement of the type described in clause (a), (b) or (c) of the First sentence of this Section 6.21, in clause (i) or (ii) of the second preceding sentence of this Section 6.21 or in the immediately preceding sentence.

SECTION 6.22. AT&T Shareholder Vote. Assuming the receipt of (i) the affirmative vote of the holders of a majority of the outstanding shares of AT&T Common Stock in favor of this Agreement and the transactions contemplated hereby (the "AT&T Transaction Approval") and (ii) the affirmative vote of the holders of a majority of the votes cast by the holders of AT&T Common Stock in favor of approval of the Parent Charter to be implemented at the Effective Time, including its corporate governance provisions (the "AT&T Parent Charter Approval" and together with the AT&T Transaction Approval, the "AT&T Shareholders' Approvals"), which the parties acknowledge are conditions to the obligations of the parties to effect the Separation, Distribution and Mergers, no other vote of the holders of any class or series of capital stock of AT&T will be necessary to approve and adopt this Agreement and the transactions contemplated

hereby, including the Distribution, or the Parent Charter to be implemented at the Effective Time, including its corporate governance provisions. The only vote of the holders of any class or series of capital stock of any AT&T Subsidiary necessary to approve and adopt this Agreement and the transactions contemplated hereby, including the AT&T Broadband Merger, or the Parent Charter to be implemented at the Effective Time, including its corporate governance provisions, is the affirmative vote of the holders of a majority of the outstanding shares of AT&T Broadband Common Stock, which vote has previously been obtained.

SECTION 6.23. Antitakeover Statutes. AT&T Broadband has taken all action necessary to exempt the AT&T Broadband Merger and this Agreement and the transactions contemplated hereby from the restrictions of Section 203 of the DGCL or otherwise to make such provisions inapplicable to this Agreement and the transactions contemplated hereby, and, accordingly, neither Section 203 of the DGCL nor any other antitakeover or similar statute or regulation applies or purports to apply to any such transactions. No other "control share acquisition", "fair price", "moratorium" or other antitakeover laws or regulations enacted under any United States federal, state or local or foreign laws apply to this Agreement or any of the transactions contemplated hereby.

SECTION 6.24. Comcast Securities. Neither AT&T nor any of the AT&T Subsidiaries owns any Comcast Securities.

SECTION 6.25. TWE; At Home. (a) Section 6.25(a) of the AT&T Disclosure Schedule sets forth a list of each material agreement, contract or commitment to which AT&T or any AT&T Subsidiary of AT&T is a party that amends the TWE Partnership Agreement or any related agreement or that materially affects the rights or obligations of AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, the AT&T Broadband Group or the AT&T Broadband Subsidiaries with respect to TWE or any TWE Subsidiary or that was entered into in connection with or relates to AT&T's TWE interest (the "TWE Contracts"). None of AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any of the AT&T Broadband Subsidiaries has violated any material provision of, or committed or failed to perform any act that, with or without notice, lapse of time, or both, would constitute a default under any material provision of, any such material contract, agreement or commitment or the TWE Partnership Agreement, except for defaults or breaches that, individually or in the aggregate, have not had, or would not reasonably be expected to have, an AT&T Broadband Material Adverse Effect. The AT&T Broadband Group owns a Class A Partnership Interest consisting of (x) a Common Sub-Account, entitling the AT&T Broadband Group to a Participating Percentage Share of 25.51% and (y) an A Sub-Account, each as described in Article VII of the TWE Partnership Agreement and as adjusted

pursuant to Article VIII of the TWE Partnership Agreement (capitalized terms used in this sentence and not defined have the meanings set forth in the TWE Partnership Agreement). The registration rights provisions of Article 13 of the TWE Partnership Agreement are enforceable in accordance with their terms and subject to the conditions thereof, except (i) as the same may be limited by applicable bankruptcy, insolvency, moratorium or similar laws of general application relating to or affecting creditors' rights and (ii) for the limitations imposed by general principles of equity. AT&T has provided or made available to Comcast prior to the date hereof a copy of each TWE Contract.

(b) Section 6.25(b) of the AT&T Disclosure Schedule sets forth a list of each material agreement, contract or commitment between At Home and its Subsidiaries, on the one hand, and AT&T (to the extent relating to the AT&T Broadband Group other than At Home and its Subsidiaries), the AT&T Broadband Group (other than At Home and its Subsidiaries), AT&T Broadband or any of the AT&T Broadband Subsidiaries (other than At Home and its Subsidiaries), on the other hand, that is not described by any of the following: (i) it has been rejected in bankruptcy proceedings, (ii) it has been Filed with the SEC by At Home, AT&T or AT&T Broadband, LLC (or its predecessor) or (iii) Comcast or any of its Subsidiaries is a party thereto or to a comparable agreement, contract or commitment. None of AT&T or any of its Subsidiaries (other than At Home and its Subsidiaries) has violated any provision of, or committed or failed to perform any act that, with or without notice, lapse of time or both, would constitute a default under any provision of, any such material contract, agreement or commitment, except for defaults or breaches that, individually or in the aggregate, have not had, or would not reasonably be expected to have, an AT&T Broadband Material Adverse Effect. AT&T has provided or made available to Comcast prior to the date hereof a copy of each agreement of the type described in the First sentence of this Section 6.25(b).

SECTION 6.26. Intercompany Transactions. (a) Except as described in Section 6.26(a) of the AT&T Disclosure Schedule, since December 31, 1999 through the date hereof there have been no material transactions (including allocations) between the AT&T Broadband Group, on the one hand, and the AT&T Communications Group, on the other hand.

(b) Except as described in Section 6.26(b) of the AT&T Disclosure Schedule, since the AT&T Broadband Balance Sheet Date through the date hereof there have been no material transactions (including allocations) between any AT&T Broadband Entity, on the one hand, and any member of the AT&T Communications Group, on the other hand.

SECTION 6.27. Sufficiency of Transferred Assets. (a) Except as set forth in Section 6.27(a) of the AT&T Disclosure Schedule (and other than the Delayed Transfer Assets (as defined in the Separation and Distribution Agreement) that are AT&T Broadband Assets), as of the Effective Time, no material AT&T Broadband Assets will be owned or held by AT&T or any AT&T Subsidiary. Assuming consummation of the transactions contemplated by the Separation and Distribution Agreement and assuming the availability of any assets and services contemplated to be made available to the AT&T Broadband Group pursuant to the terms of the Ancillary Agreements, (i) the assets reflected on the unaudited combined balance sheet of the AT&T Broadband Group as of December 31, 2000 attached as Exhibit E were sufficient in all material respects to conduct the business of the AT&T Broadband Group in the manner reflected in the AT&T Broadband Financial Statements and (ii) at the Effective Time, the AT&T Broadband Assets will be sufficient for the conduct of the business of the AT&T Broadband Group as it is being operated immediately prior to the Separation. Assuming the condition set forth in Section 10.01(1) is satisfied with respect to all outstanding Indebtedness issued under the Notes Indenture, neither Parent, nor AT&T Broadband nor any AT&T Broadband Subsidiary will be required to guarantee or otherwise become liable for any material Indebtedness or liability of AT&T (to the extent not relating to the AT&T Broadband Group) or any AT&T Subsidiary (other than AT&T Broadband or any AT&T Broadband Subsidiary) as a result of the Separation or Distribution.

(b) Since December 31, 2000, (i) no material assets have been transferred from AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, any AT&T Broadband Subsidiary or the AT&T Broadband Group to AT&T (to the extent not relating to the AT&T Broadband Group) or any AT&T Subsidiary other than AT&T Broadband or any AT&T Broadband Subsidiary, other than the assets set forth in Section 6.27(b) of the AT&T Disclosure Schedule and (ii) no material liabilities have been assumed by AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, any AT&T Broadband Subsidiary or the AT&T Broadband Group from AT&T (to the extent not relating to the AT&T Broadband Group) or any AT&T Subsidiary other than AT&T Broadband or any AT&T Broadband Subsidiary, other than the liabilities set forth in Section 6.27 of the AT&T Disclosure Schedule.

(c) The investments set forth in Section 6.27(c) of the AT&T Disclosure Schedule (or the net proceeds therefrom) constitute assets of one or more of the AT&T Broadband Subsidiaries.

SECTION 6.28. Investments. Section 6.28 of the AT&T Disclosure Schedule sets forth a list of each material investment of AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T

Broadband or any AT&T Broadband Subsidiary. Neither AT&T nor any AT&T Subsidiary has any material liability in respect of any such investment.

ARTICLE 7
COVENANTS OF COMCAST

SECTION 7.01. Comcast Interim Operations. Except as set forth in the Comcast Disclosure Schedule, or as otherwise expressly contemplated hereby, from the date hereof until the Effective Time, Comcast shall, and shall cause each of the Comcast Subsidiaries to, conduct its business in all material respects in the ordinary course of business consistent with past practice and use all reasonable efforts to: (a) preserve intact its present business organization; (b) keep available the services of its key officers and key employees; (c) material foreign and United States federal, state and local licenses, approvals and authorizations, including all material licenses and permits that are required for Comcast or any Comcast Subsidiary to carry on its business; and (d) preserve existing relationships with its material lenders, suppliers and others having material business relationships with it so that the business of Comcast and the Comcast Subsidiaries shall not be impaired in any material respect at the Effective Time. Without limiting the generality of the foregoing, except as set forth in the Comcast Disclosure Schedule or as otherwise expressly contemplated hereby and except as prohibited by law, from the date hereof until the Effective Time, without the prior written consent of AT&T, such consent not to be unreasonably withheld, Comcast shall not, nor shall it permit any Comcast Subsidiary to:

(i) amend its articles of incorporation or bylaws or other applicable governing instruments;

(ii) amend any material term of any of its outstanding securities;

(iii) split, combine, subdivide or reclassify any shares of its capital stock or other equity interests or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities, except for cash dividends paid by any Comcast Subsidiary to Comcast or any wholly owned Comcast Subsidiary;

(iv) adopt a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other

material reorganization (other than a merger or consolidation between wholly owned Comcast Subsidiaries);

(v) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any class of its capital stock or other equity interests or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or other equity interests, other than (A) the issuance of shares of capital stock or other equity interests (or derivative securities therefor) by a Comcast Subsidiary that is not a Comcast Significant Subsidiary, (B) the issuance of shares of Comcast Common Stock upon the exercise of Comcast Stock Options or options to purchase Comcast Common Stock under the Comcast ESPP or upon the settlement of Comcast Restricted Stock Awards or Comcast Equity Awards outstanding as of the date hereof in accordance with their current terms or (C) the granting of Comcast Stock Options, Comcast Restricted Stock Awards, Comcast Equity Awards and options to purchase Comcast Common Stock under the Comcast ESPP in the ordinary course of business and consistent with past practices and the issuance of shares of Comcast Common Stock upon the exercise or settlement thereof;

(vi) incur any capital expenditures, except as set forth in the Comcast Disclosure Schedule;

(vii) except for capital expenditures, which shall be governed by Section 7.01(d)(vi), acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, other than (A) pursuant to agreements in effect as of the date hereof, (B) assets used in the ordinary course of business of Comcast and the Comcast Subsidiaries, in a manner that is consistent with past practice, (C) assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate, or (D) in the case of cable swaps and similar transactions where the primary consideration for the acquired assets are cable properties, assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate;

(viii) other than pursuant to agreements in effect as of the date hereof and other than in the ordinary course of business, sell, lease, license, encumber or otherwise transfer any assets other than (A) assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate, or (B) in the case of cable swaps and similar transactions where the primary consideration for the disposed of assets are cable properties,

assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate;

(ix) incur, assume or guarantee any Indebtedness, other than in the ordinary course of business;

(x) make any loan, advance or capital contributions to or investment in any Person other than (A) loans, advances or capital contributions to or investments in any wholly owned Comcast Subsidiary, (B) pursuant to agreements in effect as of the date hereof or (C) loans, advances or capital contributions to joint ventures or Affiliates of Comcast or the Comcast Subsidiaries pursuant to Schedule 7.01(x) of the Comcast Disclosure Schedules or as required by agreements currently in effect relating to such joint ventures or Affiliates;

(xi) except for capital expenditures, which shall be governed by Section 7.01(d)(vi), engage in or enter into any transaction or commitment, enter into any contract or agreement, or relinquish or amend in any material respect any contract or other right, for the provision of goods or services or the use of facilities (including any programming agreement, any agreement with any vendor for the purchase of equipment, any agreement for the provision by one or more third parties of telephone, data or other services through the facilities of one or more of the Systems of Comcast or any of the Comcast Subsidiaries or any agreement providing for access to, or the right to use, the facilities of one or more of the Systems of Comcast or any of the Comcast Subsidiaries) that is (A) material to Comcast and the Comcast Subsidiaries, taken as a whole, or (B) that provides for payments in excess of \$50,000,000 per agreement (or \$100,000,000 for all agreements for similar goods or services);

(xii) enter into or amend in any material respect any joint venture, partnership or other similar venture that is material to Comcast and the Comcast Subsidiaries, taken as a whole;

(xiii) enter into any agreement or arrangement that materially limits or otherwise materially restricts Comcast, any Comcast Subsidiary or any of their respective Affiliates or any successor thereto, or that could, after the Effective Time, materially limit or restrict Parent, AT&T, any AT&T Subsidiary or any of their Affiliates, from engaging in any material business;

(xiv) except as required pursuant to existing written, binding agreements or as otherwise required by law, (A) enter into any commitment to provide any severance or termination pay to (or amend any existing arrangement with) any director, officer or employee of Comcast or any Comcast Subsidiary, (B) increase the benefits payable under any existing severance or termination pay policy or employment agreement (other than as may be increased by function of the existing terms of any such policy or agreement), (C) other than in the ordinary course of business consistent with past practice, enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director or officer of Comcast or any Comcast Subsidiary, (D) establish, adopt or amend (except as required by applicable law) any collective bargaining (except to the extent it would contain economic terms that are not materially less favorable to Comcast or any Comcast Subsidiary than the terms of existing arrangements), bonus, profit-sharing, thrift, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of Comcast or any Comcast Subsidiary, except that Comcast and the Comcast Subsidiaries may amend any such existing agreement or plan or adopt a successor plan or arrangement to the extent mandated by applicable law or to the extent that such amendment would not result in a more than a de minimis increase in the costs or liabilities under such agreement or plan, (E) other than in the ordinary course of business consistent with past practice, or as required by any agreement in effect as of the date hereof, increase the compensation, bonus or other benefits payable to any director, officer or employee of Comcast or any Comcast Subsidiary or (F) amend the terms of any outstanding Comcast Stock Option, Comcast SAR, Comcast Restricted Stock Award or Comcast Equity Award; provided that the foregoing shall not in any way restrict Comcast or any of its Subsidiaries from taking any action (including granting any stay bonuses and paying or providing other compensation pursuant to retention plans or similar arrangements) on reasonable commercial terms that Comcast determines is reasonably necessary or desirable in order to retain or attract any officers or employees to the extent that the aggregate cost of such actions, grants or payments does not exceed the amount set forth in Section 7.01(xiv) of the Comcast Disclosure Schedule;

(xv) launch any new channels, except as necessary to comply with any requirement of any Governmental Authority and except pursuant to pending agreements in effect as of the date hereof;

(xvi) change (A) its methods of accounting or accounting practices in any material respect, except as required by changes in GAAP or by law, or (B) its Fiscal year;

(xvii) settle any litigation, investigation, arbitration, proceeding or other claim if Comcast or any of the Comcast Subsidiaries would be required to pay in excess of \$25,000,000 or if such settlement would otherwise be material to the Comcast Group taken as a whole;

(xviii) other than in the ordinary course of business and consistent with past practice, make any material Tax election or enter into any settlement or compromise of any material Tax liability;

(xix) (A) fail to comply with its obligations under the Exchange Agreement and the Set-Top Box Commitment (as defined in the Exchange Agreement) or (B) amend or waive any provision of the Exchange Agreement except for such amendments or waivers as would not adversely affect AT&T or delay or adversely affect consummation of the transactions contemplated hereby;

(xx) engage in any transaction of a type described in Section 5.25 or take any action that would reasonably be expected to make any representation or warranty of Comcast hereunder inaccurate in any material respect at the Effective Time;

(xxi) take any action that would, or would reasonably be expected to, prevent, impair or materially delay the ability of AT&T or Comcast or any of their respective Subsidiaries to consummate the transactions contemplated by this Agreement and the other Transaction Agreements; or

(xxii) agree or commit to do any of the foregoing; provided that the limitations set forth in Sections 7.01(d)(i) through 7.01(d)(xix) shall not apply to any transaction between Comcast and any wholly owned Comcast Subsidiary or between any wholly owned Comcast Subsidiaries.

SECTION 7.02. Comcast Shareholders' Meeting; Proxy Material. (a) Comcast shall cause the Comcast Shareholders' Meeting to be duly called and held as soon as reasonably practicable (taking into consideration all relevant factors, including delays due to complications of preparing required pro forma and other Financial statements) for the purpose of voting on proposals in respect of each of the Comcast Shareholders' Approvals and the Preferred Structure Approval. In connection with the Comcast Shareholders' Meeting, Comcast will (i) use its reasonable best efforts to obtain each of the Comcast Shareholders'

Approvals and the Preferred Structure Approval and (ii) otherwise comply with all legal requirements applicable to the Comcast Shareholders' Meeting.

(b) Comcast's Board of Directors shall recommend approval of each of the proposals in respect of the Comcast Shareholders' Approvals and the Preferred Structure Approval.

SECTION 7.03. Voting Agreement. Comcast agrees to vote, and to cause each of the Comcast Subsidiaries to vote, any shares of AT&T Common Stock with respect to which Comcast or such Comcast Subsidiary may have any voting power in favor of each of the proposals in respect of the AT&T Shareholders' Approvals.

ARTICLE 8
COVENANTS OF AT&T

SECTION 8.01. AT&T Broadband Interim Operations. Except as set forth in the AT&T Disclosure Schedule or as otherwise expressly contemplated hereby or by any of the Ancillary Agreements, from the date hereof until the Effective Time, AT&T shall, to the extent relating to the AT&T Broadband Group, and shall cause each of the AT&T Broadband Group, AT&T Broadband and the AT&T Broadband Subsidiaries to, conduct its business in all material respects for the benefit of the AT&T Broadband Group (it being understood that the AT&T Communications Group will be conducted for the benefit of the AT&T Communications Group and that the interests of the AT&T Broadband Group and the AT&T Communications Group may not coincide) and in the ordinary course of business consistent with past practice and use all reasonable efforts to: (a) preserve intact its present business organization; (b) keep available the services of its key officers and key employees; (c) maintain in effect all material foreign and United States federal, state and local licenses, approvals and authorizations, including all material licenses and permits that are required for the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband or any AT&T Broadband Subsidiary to carry on its business; and (d) preserve existing relationships with its material lenders, suppliers and others having material business relationships with it so that the business of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and the AT&T Broadband Subsidiaries shall not be impaired in any material respect at the Effective Time. Without limiting the generality of the foregoing, except as set forth in the AT&T Disclosure Schedule or as otherwise expressly contemplated hereby or by any of the Ancillary Agreements and except as prohibited by law, from the date hereof until the

Effective Time, without the prior written consent of Comcast, such consent not to be unreasonably withheld, AT&T shall not, nor shall it permit the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary to:

(i) except for the filing of a certificate of amendment by AT&T to effect the reverse stock split approved by AT&T shareholders at the AT&T Shareholders' Meeting, for the filing of a certificate of amendment by AT&T Broadband to create the AT&T Broadband Class A Common Stock (such amendment and the certificate of incorporation of AT&T Broadband to be reasonably satisfactory to Comcast), for the filing of a certificate of designation by AT&T to create the New AT&T Subsidiary Preferred Stock (such certificate of designation to be reasonably satisfactory to Comcast) and for the amendment of AT&T's bylaws to reduce the required number of members of the board of directors and to provide for the issuance of uncertificated shares, amend its certificate of incorporation or bylaws or other applicable governing instruments;

(ii) amend any material term of any of its outstanding securities (other than debt securities of AT&T except to the extent relating to the AT&T Broadband Group);

(iii) split, combine, subdivide or reclassify any shares of its capital stock or other equity interests or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities or any securities of AT&T Broadband or any AT&T Broadband Subsidiary, except for (A) the regular quarterly dividend of AT&T and other dividends or distributions thereon not involving the assets or securities of the AT&T Broadband Group, AT&T Broadband or any of the AT&T Broadband Subsidiaries, (B) cash dividends paid by any AT&T Broadband Subsidiary to AT&T Broadband or another AT&T Broadband Subsidiary, (C) the exchange or redemption of the TCI Pacific Preferred Stock in accordance with the terms thereof, (D) repurchases or other acquisitions of any shares of capital stock of AT&T; provided that none of the assets used to pay for such repurchases or other acquisitions are assets of the AT&T Broadband Group; or (E) the creation and issuance of any class of tracking stock of AT&T that is designed to reflect the Financial performance of any of AT&T's businesses other than the AT&T Broadband Group;

(iv) adopt a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other

material reorganization (other than a merger or consolidation between wholly owned AT&T Broadband Subsidiaries) other than in connection with any Excepted Transaction;

(v) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any class of its capital stock or other equity interests or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or other equity interests, other than (A) the issuance of shares of AT&T Common Stock upon the exercise of options to purchase AT&T Common Stock, stock appreciation rights with respect to AT&T Common Stock or options to purchase AT&T Common Stock under the AT&T ESPP or upon the settlement of AT&T restricted stock or equity awards based upon shares of AT&T Common Stock outstanding as of the date hereof in accordance with their current terms, (B) the granting of options to purchase AT&T Common Stock, stock appreciation rights with respect to AT&T Common Stock, AT&T restricted stock or equity awards based upon shares of AT&T Common Stock and options to purchase AT&T Common Stock under the AT&T ESPP in the ordinary course of business and consistent with past practice and the issuance of shares of AT&T Common Stock upon the exercise or settlement thereof, (C) the granting of options to purchase AT&T Common Stock, and AT&T restricted stock or equity awards based upon shares of AT&T Common Stock that are not exercisable prior to the Distribution and that will become options or equity awards, as applicable, solely with respect to AT&T Common Stock following the Distribution, (D) the issuance of shares of AT&T Common Stock pursuant to any instruments, agreements or other arrangements contemplated by Section 6.05 or the Schedules thereto and outstanding as of the date hereof or (E) 275 million shares of AT&T Common Stock as set forth in Section 6.05(b) of the AT&T Disclosure Schedule in accordance with Section 8.01(v) of the AT&T Disclosure Schedule;

(vi) incur any capital expenditures in respect of the AT&T Broadband Group, except as set forth in the AT&T Disclosure Schedule;

(vii) except for capital expenditures in respect of the AT&T Broadband Group, which shall be governed by Section 8.01(d)(vi), acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets in respect of the AT&T Broadband Group, other than (A) pursuant to agreements in effect as of the date hereof, (B) assets used in the ordinary course of business of the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband and the AT&T Broadband Subsidiaries, in a manner

that is consistent with past practice, (C) assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate, or (D) in the case of cable swaps and similar transactions where the primary consideration for the acquired assets are cable properties, assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate;

(viii) except for the sale of the interest in TWE, which shall be governed by Section 8.01(d)(xiii), and other than pursuant to agreements in effect as of the date hereof and other than in the ordinary course of business, sell, lease, license, encumber or otherwise transfer any assets other than (A) assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate or (B) in the case of cable swaps and similar transactions where the primary consideration for the disposed of assets are cable properties, assets having a fair market value not exceeding \$100,000,000 in any one transaction or series of related transactions or \$500,000,000 in the aggregate;

(ix) incur, assume or guarantee any Indebtedness, other than (A) borrowings from AT&T or any AT&T Subsidiary on the terms set forth in Schedule 8.01(d)(ix) either in the ordinary course of business or to refinance Indebtedness at maturity, (B) any transactions by AT&T and its wholly owned Subsidiaries that do not involve the AT&T Broadband Group, AT&T Broadband or any of the AT&T Broadband Subsidiaries, (C) Indebtedness incurred as contemplated by Section 9.18 or (D) as approved by the Interim Finance Committee;

(x) make any loan, advance or capital contributions to or investment in any Person other than (A) loans, advances or capital contributions to or investments in AT&T Broadband or any wholly owned AT&T Broadband Subsidiary on terms set forth in Section 6.27(b) of the AT&T Disclosure Schedule, (B) loans or advances to AT&T or any AT&T Subsidiary on terms set forth in Section 6.27(b) of the AT&T Disclosure Schedule, (C) pursuant to agreements in effect as of the date hereof, (D) any transactions by AT&T and its wholly owned Subsidiaries that do not involve the AT&T Broadband Group, AT&T Broadband and the AT&T Broadband Subsidiaries, or (E) loans, advances or capital contributions to joint ventures or Affiliates of the AT&T Broadband Group as required by agreements currently in effect relating to such joint ventures or Affiliates or as contemplated by Schedule 8.01(d)(x);

(xi) except for capital expenditures in respect of the AT&T Broadband Group, which shall be governed by Section 8.01(d)(vi), engage in or enter into any transaction or commitment, enter into any contract or agreement, or relinquish or amend in any material respect any contract or other right, in each case in respect of the AT&T Broadband Group, for the provision of goods or services or the use of facilities (including any programming agreement, any agreement with any vendor for the purchase of equipment, any agreement for the provision by one or more third parties of telephone, data or other services through the facilities of one or more of the Systems of AT&T or any of the AT&T Subsidiaries or any agreement providing for access to, or the right to use, the facilities of one or more of the Systems of AT&T or any of the AT&T Subsidiaries) that is (A) material to the AT&T Broadband Group, taken as a whole, or (B) that provides for payments in excess of \$50,000,000 per agreement (or \$100,000,000 for all agreements for similar goods or services);

(xii) enter into or amend in any material respect any joint venture, partnership or other similar venture that is material to the AT&T Broadband Group, taken as a whole;

(xiii) (A) enter into any material agreement or arrangement in connection with or relating to its interest in TWE or amend or modify in any material respect any of the TWE Contracts (other than incidental agreements necessary to implement the transactions contemplated by clauses (B) and (C) below of this Section 8.01(d)(xiii) such as underwriting agreements, engagement letters and similar agreements), (B) exercise (other than on a cashless basis) the TWE Option under the TWE Option Agreement or (C) sell all or part of its interest in TWE except solely for cash or pursuant to Section 13.1 of the TWE Partnership Agreement; provided that AT&T has kept Comcast reasonably apprised of the status of the related process;

(xiv) enter into any agreement or arrangement that materially limits or otherwise materially restricts the AT&T Broadband Group, AT&T (to the extent relating to the AT&T Broadband Group), AT&T Broadband, any AT&T Broadband Subsidiary or any of their respective Affiliates (other than AT&T (to the extent not relating to the AT&T Broadband Group) and the AT&T Subsidiaries other than AT&T Broadband and the AT&T Broadband Subsidiaries) or any successor thereto, or that could, after the Effective Time, materially limit or restrict Parent, Comcast, any Comcast Subsidiary or any of their Affiliates, from engaging in any material business;

(xv) except as required pursuant to existing written, binding agreements, as otherwise required by law or as expressly provided in the Employee Benefits Agreement, (A) enter into any commitment to provide any severance or termination pay to (or amend any existing arrangement with) any director, officer or employee of AT&T, AT&T Broadband or any AT&T Broadband Subsidiary, (B) increase the benefits payable under any existing severance or termination pay policy or employment agreement (other than as may be increased by function of the existing terms of any such policy or agreement), (C) other than in the ordinary course of business consistent with past practice, enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director or officer of AT&T, AT&T Broadband or any AT&T Broadband Subsidiary, (D) establish, adopt or amend (except as required by applicable law) any collective bargaining (except to the extent it would contain economic terms that are not materially less favorable to AT&T, AT&T Broadband or any AT&T Broadband Subsidiary than the terms of existing arrangements), bonus, profit-sharing, thrift, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of AT&T, AT&T Broadband or any AT&T Broadband Subsidiary, except that AT&T, AT&T Broadband and the AT&T Broadband Subsidiaries may amend any such existing agreement or plan or adopt a successor plan or arrangement to the extent mandated by applicable law or to the extent that such amendment would not result in more than a de minimis increase in the costs or liabilities under such agreement or plan, (E) other than in the ordinary course of business consistent with past practice or as required by any agreement in effect as of the date hereof, increase the compensation, bonus or other benefits payable to any director, officer or employee of AT&T, AT&T Broadband or any AT&T Broadband Subsidiary or (F) amend the terms of any outstanding option to purchase AT&T Common Stock, stock appreciation right with respect to AT&T Common Stock, AT&T restricted stock or equity award based upon shares of AT&T Common Stock; provided that the foregoing shall not in any way restrict AT&T or any of its wholly owned Subsidiaries from entering into or amending commitments, contracts, plans or other arrangements of the types referred to in clauses (A) through (F) above to the extent that AT&T Broadband and the AT&T Broadband Subsidiaries are not bound thereby and the AT&T Broadband Group is not affected thereby and provided further that the foregoing shall not in any way restrict AT&T or any of its Subsidiaries from taking any action (including granting any stay bonuses and paying or providing other compensation pursuant to retention plans or similar arrangements) on reasonable commercial terms that AT&T

determines is reasonably necessary or desirable in order to retain or attract any officers or employees as set forth in Schedule 8.01(d)(xv) to the extent that the aggregate cost of such actions, grants or payments does not exceed the amount set forth in Section 8.01(xv) of the AT&T Disclosure Schedule;

(xvi) launch any new channels, except as necessary to comply with any requirement of any Governmental Authority and except pursuant to pending agreements in effect as of the date hereof;

(xvii) change (A) its methods of accounting or accounting practices in any material respect, except as required by changes in GAAP or by law, or (B) its Fiscal year;

(xviii) except as set forth on Section 8.01(xviii) of the AT&T Disclosure Schedule, enter into or engage in any transaction with, or transfer any assets to, or assume any liabilities of, AT&T (in its capacity other than as part of the AT&T Broadband Group) or any of the AT&T Subsidiaries (other than AT&T Broadband or any of the AT&T Broadband Subsidiaries) other than non-material transactions on arm's-length terms in the ordinary course of business;

(xix) except as set forth on Section 8.01(xix) of the AT&T Disclosure Schedule, settle any litigation, investigation, arbitration, proceeding or other claim if the AT&T Broadband Group would be required to pay in excess of \$25,000,000 or such settlement would otherwise be material to the AT&T Broadband Group;

(xx) other than in the ordinary course of business and consistent with past practice, make any material Tax election or enter into any settlement or compromise of any material Tax liability;

(xxi) fail to comply with its obligations under the Exchange Agreement;

(xxii) amend or waive any provision of any of the PrISMs Contracts or SAILS Contracts, make any payment in settlement of any of such contracts or terminate any of such contracts; provided that immediately prior to the Effective Time each of such contracts will be amended as set forth in Section 8.01(xxii) of the AT&T Disclosure Schedule if the counterparty to such contract consents to such amendment;

(xxiii) (A) permit T-Holdings, UCT Video, UAI or any of their respective Subsidiaries to incur any liabilities or (B) take any action that would reasonably be expected to make any representation or warranty of AT&T hereunder or of AT&T or any AT&T Subsidiary under any of the other Transaction Agreements inaccurate in any material respect at the Effective Time;

(xxiv) take any action that would, or would reasonably be expected to, prevent, impair or materially delay the ability of AT&T or Comcast or any of their respective Subsidiaries to consummate the transactions contemplated by this Agreement and the other Transaction Agreements; or

(xxv) agree or commit to do any of the foregoing; provided that the limitations set forth in Sections 8.01(d)(i) through 8.01(d)(xxii) shall not apply to any transaction between AT&T Broadband and any wholly owned AT&T Broadband Subsidiary or between AT&T (to the extent not relating to the AT&T Broadband Group) and any wholly owned AT&T Subsidiaries (other than AT&T Broadband and any AT&T Broadband Subsidiaries) and provided, further, that the limitations set forth in Sections 8.01(d)(i) through 8.01(d)(xxii) shall not be deemed to in any way apply to or prohibit any Excepted Transaction or any transaction by or involving AT&T and its wholly owned Subsidiaries if AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband and the AT&T Broadband Subsidiaries are not bound thereby, such transaction does not involve AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any of the AT&T Broadband Subsidiaries and such transaction would not otherwise adversely affect the transactions contemplated hereby in any material respect. In no event will AT&T enter into, or permit the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary to enter into, any agreement or contract that would bind or purport to bind, Parent or any of its Affiliates (other than AT&T Broadband and the AT&T Broadband Subsidiaries) after the Effective Time.

SECTION 8.02. AT&T Shareholders' Meeting; Proxy Material. (a) Subject to applicable law, AT&T shall cause the AT&T Shareholders' Meeting to be duly called and held as soon as reasonably practicable (taking into consideration all relevant factors, including delays due to complications of preparing required pro forma and other Financial statements) for the purpose of voting on proposals in respect of each of the AT&T Shareholders' Approvals; provided, however, that if within five days of the time the parties are notified by the SEC that it is willing to declare the Registration Statement effective any conditions shall exist (such

conditions, the "Mandatory Residual Conditions") such that, as a result of the AT&T Transaction Approval being obtained, the holders of the Senior Notes would be entitled to require AT&T or any of its Affiliates to repurchase all or any portion of the Senior Notes, then AT&T shall be entitled to delay the calling of the AT&T Shareholders' Meeting until such time as the Mandatory Residual Conditions no longer exist. In connection with the AT&T Shareholders' Meeting, AT&T will (i) subject to Section 8.02(b), use its reasonable best efforts to obtain each of the AT&T Shareholders' Approvals and (ii) otherwise comply with all legal requirements applicable to AT&T Shareholders' Meeting.

(b) Except as provided below, AT&T's Board of Directors shall recommend approval of each of the proposals in respect of the AT&T Shareholders' Approvals by AT&T shareholders. AT&T's Board of Directors shall be permitted to withdraw, or modify in a manner adverse to Comcast, its recommendations to AT&T shareholders only if (i) AT&T has complied with the terms of Section 8.03, including the requirement in Section 8.03(d) that it notify Comcast promptly after its receipt of any AT&T Broadband Acquisition Proposal; (ii) AT&T's Board of Directors determines in good faith by a majority vote, after consulting with AT&T's outside counsel, that it must take such action to comply with its fiduciary duties under applicable law; and (iii) AT&T shall have delivered to Comcast a prior written notice advising Comcast that it intends to take such action and describing its reasons for taking such action (such notice to be delivered not less than two Business Days prior to the time such action is taken). Unless this Agreement shall have been terminated in accordance with its terms, subject to applicable law, AT&T shall submit proposals in respect of each of the AT&T Shareholders' Approvals at the AT&T Shareholders' Meeting even if AT&T's Board of Directors determines at any time after the date hereof that this Agreement and the transactions contemplated hereby or the Parent Charter to be implemented at the Effective Time, including the corporate governance provisions included therein, are no longer advisable or recommends that AT&T shareholders reject either of the proposals in respect of the AT&T Shareholders' Approvals.

SECTION 8.03. No Solicitation. (a) From the date hereof until the termination hereof, AT&T will not, and will cause the AT&T Subsidiaries and the officers, directors, employees, investment bankers, attorneys, accountants, consultants or other agents, representatives or advisors of AT&T and the AT&T Subsidiaries not to, directly or indirectly (i) take any action to solicit, initiate, facilitate or encourage the submission of any AT&T Broadband Acquisition Proposal; (ii) subject to Section 8.03(e), engage in any discussions or negotiations with, or disclose any non-public information relating to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary or afford access to the properties, books or records of AT&T (to the extent relating to the AT&T Broadband Group),

the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary to, any Person who is known by AT&T to be considering making, or has made, an AT&T Broadband Acquisition Proposal; (iii) (A) amend or grant any waiver or release under any standstill agreement, agreement restricting a party from engaging in negotiations or discussions with other parties or any similar agreement with respect to any class of equity securities of AT&T (other than in connection with an Excepted Transaction) or with respect to the AT&T Broadband Group or any of its material assets or (B) approve any transaction, or approve of any Person becoming an "Interested Shareholder", under Section 912 of the NYBCL or Section 203 of the DGCL; or (iv) enter into any agreement with respect to an AT&T Broadband Acquisition Proposal (other than a confidentiality agreement as described below).

(b) Notwithstanding the provisions of Section 8.03(a) or any other provision of this Agreement, prior to the AT&T Shareholders' Meeting, AT&T may, in response to an unsolicited bona fide AT&T Broadband Acquisition Proposal that AT&T's Board of Directors determines in good faith, by majority vote, after consultation with its Financial advisors and outside legal counsel, would reasonably be expected to lead to an AT&T Superior Proposal, furnish confidential or nonpublic information and access to, and engage in discussions and negotiate with, such Person making such proposal; provided that prior to taking any of such actions, (i) AT&T has complied with the terms of this Section 8.03, including the requirement in Section 8.03(d) that it notify Comcast promptly after its receipt of any AT&T Broadband Acquisition Proposal, (ii) the AT&T Board of Directors determines in good faith, by majority vote, after consultation with AT&T's outside legal counsel that it must take such action to comply with its Fiduciary duties under applicable law and (iii) such Person making such proposal executes a confidentiality agreement with terms no less favorable in the aggregate to AT&T than those contained in the AT&T Confidentiality Agreement. "AT&T Superior Proposal" means an unsolicited, bona fide AT&T Broadband Acquisition Proposal that AT&T's Board of Directors determines in good faith, after consultation with its Financial advisors and outside legal counsel and taking into account all the terms and conditions of the AT&T Broadband Acquisition Proposal, including the likelihood and timing of consummation of the AT&T Broadband Acquisition Proposal (including, without limitation, the likelihood of obtaining financing and receiving necessary regulatory approvals), would be more favorable to the holders of AT&T Common Stock than the transactions provided for in this Agreement.

(c) Nothing contained in this Agreement shall prevent AT&T's Board of Directors from complying with Rule 14e-2 and Rule 14d-9 under the 1934 Act with regard to an AT&T Broadband Acquisition Proposal; provided that AT&T's Board of Directors shall not recommend that AT&T shareholders tender their

shares in connection with a tender offer, except to the extent AT&T's Board of Directors by a majority vote determines in its good faith judgment that such a recommendation is required to comply with the Fiduciary duties of AT&T's Board of Directors under applicable law, after consulting with outside legal counsel.

(d) AT&T will notify Comcast promptly (but in no event later than 24 hours) after receipt by AT&T (or any of its advisors) of any AT&T Broadband Acquisition Proposal, or of any request for nonpublic information relating to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary or for access to the properties, books or records of AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary by any Person who is known to be considering making, or has made, an AT&T Broadband Acquisition Proposal. AT&T shall provide such notice orally and in writing and shall identify the Person making, and the terms and conditions of, any such AT&T Broadband Acquisition Proposal, indication or request. AT&T shall keep Comcast fully informed, on a prompt basis (but in any event no later than 24 hours), of the status and details of any such AT&T Broadband Acquisition Proposal, indication or request. AT&T shall, and shall cause the AT&T Subsidiaries and the directors, employees and other agents of AT&T and the AT&T Subsidiaries to, cease immediately and cause to be terminated all activities, discussions or negotiations, if any, with any Persons conducted prior to the date hereof with respect to any AT&T Broadband Acquisition Proposal. This Section 8.03(d) shall not apply with respect to any Excepted Transaction; provided that if an agreement is entered into with respect to an Excepted Transaction that would reasonably be expected to delay the transactions contemplated hereby, AT&T shall promptly thereafter notify Comcast of such agreement and provide Comcast with information it may reasonably request relating to such Excepted Transaction to the extent it is relevant to the transactions contemplated hereby.

(e) Notwithstanding anything in Section 8.03 to the contrary, in connection with discussions or negotiations relating to a proposed Excepted Transaction, AT&T may (i) disclose non-public information relating to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary and (ii) afford access to the properties, books or records of AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any AT&T Broadband Subsidiary, in the case of (i) and (ii), to the Person or Persons with whom AT&T is engaged in such discussions or negotiations relating to such proposed transaction; provided that (x) such Person or Persons (A) are not known by AT&T to be considering making, or to have made, an AT&T Broadband

Acquisition Proposal and (B) execute a confidentiality agreement with AT&T Broadband with confidentiality terms no less favorable than those in the AT&T Confidentiality Agreement pursuant to which such Person or Persons agree to hold any information relating to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband and any AT&T Broadband Subsidiary confidential and (y) such disclosure and such access are limited to that reasonably necessary in connection with such proposed transaction.

SECTION 8.04. Ancillary Agreements. Subject to the terms and conditions of this Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements, AT&T shall, and shall cause each of its Subsidiaries (which, after the Effective Time, shall not include any of the AT&T Broadband Entities) to, comply with its respective obligations under the Separation and Distribution Agreement and the other Ancillary Agreements pursuant to and in accordance with the terms thereof. No provision of the Separation and Distribution Agreement or any of the other Ancillary Agreements may be amended or waived prior to the Effective Time without the prior written consent of Comcast, except that the Primary Commercial Agreements and the Additional Commercial Agreements may be amended or waived in the ordinary course of business without the prior written consent of Comcast if such amendment or waiver would not be adverse in any material respect to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any of the AT&T Broadband Subsidiaries. None of the Separation and Distribution Agreement and the other Ancillary Agreements may be terminated prior to the Effective Time without the prior written consent of Comcast. The AT&T Broadband Group shall not grant any consent or approval under the Separation and Distribution Agreement or any of the other Ancillary Agreements prior to the Effective Time without the prior written concurrence of Comcast, except that the AT&T Broadband Group may grant a consent or approval under any Primary Commercial Agreement or Additional Commercial Agreement in the ordinary course of business if such consent or approval would not be adverse in any material respect to AT&T (to the extent relating to the AT&T Broadband Group), the AT&T Broadband Group, AT&T Broadband or any of the AT&T Broadband Subsidiaries. Any agreements entered into or documents executed pursuant to the Primary Transaction Agreements shall be reasonably acceptable to Comcast. Prior to the Effective Time, all determinations by the AT&T Broadband Group under the Separation and Distribution Agreement or any of the other Ancillary Agreements will be made for the benefit of the AT&T Broadband Group and, in the event of any discretion as to terms, such terms shall be no less favorable to the AT&T Broadband Group than arm's-length terms.

SECTION 8.05. Neutrality Agreement. Notwithstanding any other provision of this Agreement, AT&T shall not renew, extend or modify the Neutrality and Consent Election Agreement (the "Neutrality Agreement") among AT&T, the Communications Workers of America and the International Brotherhood of Electrical Workers, such that such agreement, as so renewed, extended or modified, will apply to or otherwise bind or purport to apply to or otherwise bind, after the Effective Time, AT&T Broadband, any of the AT&T Broadband Subsidiaries, Parent, Comcast or any of the Comcast Subsidiaries, either as a matter of contract or term or condition of employment. AT&T shall not enter into any other agreement or arrangement with respect to the same or similar matters as the matters covered by the Neutrality Agreement if such agreement or arrangement would apply to or otherwise bind or purport to apply to or otherwise bind, after the Effective Time, AT&T Broadband, any of the AT&T Broadband Subsidiaries, Parent, Comcast or any of the Comcast Subsidiaries, either as a matter of contract or term or condition of employment.

SECTION 8.06. Broadband Employees. Prior to the Effective Time, AT&T shall, and shall cause each of its Subsidiaries to, use reasonable best efforts so that, immediately prior to the Effective Time, (i) all individuals (other than Broadband Transferees) who are then primarily employed (whether actively or then on an approved leave of absence) in connection with the AT&T Broadband Business will be employed, as of the Effective Time, by the AT&T Broadband Group and (ii) the AT&T Broadband Group will employ no individuals other than those referred to in clause (i) of this Section 8.06 and the Broadband Transferees; provided that no transfers required to implement this Section 8.06 shall result in any severance liabilities to AT&T Broadband.

SECTION 8.07. AT&T Post-signing Equity Awards. With respect to any options to purchase shares of AT&T Common Stock and any other equity-based awards based upon shares of AT&T Common Stock granted by AT&T or any of its Subsidiaries from the date hereof until the Effective Time, AT&T shall provide in the agreements evidencing such awards that the transactions contemplated by this Agreement or any of the other Transaction Agreements shall not constitute a "Change in Control" for purposes of triggering accelerated vesting of the awards; provided that if any employee who receives such an award is terminated after the Effective Time under conditions entitling him to receive "Change in Control Severance Benefits" under Appendix 2 of the AT&T Broadband Severance Plan, the equity awards held by such employee shall become immediately vested upon termination of employment and, if subject to exercise, shall remain exercisable for the full extent of the original term of the award.

SECTION 8.08. Redemption of TCI Pacific Preferred Stock. Prior to the Effective Time, AT&T shall cause TCI Pacific Communications, Inc. (i) to call

for redemption all of the outstanding shares of TCI Pacific Preferred Stock and (ii) to the extent any of such shares are not exchanged for shares of AT&T Common Stock prior to the applicable redemption date, to redeem all of such shares remaining outstanding in exchange for shares of AT&T Common Stock, in the case of each of (i) and (ii), in accordance with the terms of the certificate of designation for the TCI Pacific Preferred Stock. The shares of AT&T Common Stock used to effect the foregoing redemption or exchange shall be provided by AT&T to TCI Pacific Communications, Inc. without payment of any consideration or charge by TCI Pacific Communications, Inc. or the AT&T Broadband Group.

SECTION 8.09. Note Consent Process. AT&T will consult with Comcast in connection with actions taken by AT&T in furtherance of satisfaction of the condition specified in Section 10.01(1). AT&T will conduct such actions in a manner reasonably designed to minimize the cost and expenses incurred in connection with satisfaction of such condition. The parties agree that AT&T may obtain Note Consents or otherwise satisfy the condition set forth in Section 10.01(1) by a one-time cash payment of a consent fee, through a coupon increase or a combination thereof and that any costs and expenses incurred in connection therewith (as calculated pursuant to Section 11.03) shall be shared pursuant to Section 11.03(a)(iv). AT&T shall not be required to take any action other than those referred to in the preceding sentence in order to satisfy the condition set forth in Section 10.01(1) unless Comcast agrees that the costs and expenses incurred in connection therewith shall be shared on the basis set forth in Section 11.03(a)(iv).

ARTICLE 9
COVENANTS OF AT&T, COMCAST AND PARENT

SECTION 9.01. Best Efforts. (a) Subject to the terms and conditions of this Agreement, each of the parties hereto will use its best efforts to promptly (i) take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the Mergers and the other transactions contemplated hereby as soon as practicable, including preparing and Filing as promptly as practicable all documentation to effect all necessary Filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and (ii) obtain and maintain all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any third Person that are necessary, proper or advisable to consummate the Mergers and the other transactions contemplated hereby; provided, that the parties' obligations to

obtain the License Consents and the expiration (without either the Department of Justice or the Federal Trade Commission obtaining any injunction or other relief that prevents the consummation of the transactions contemplated hereby) or termination of the applicable waiting periods under the HSR Act shall be unconditional and shall not be qualified by best efforts. Consistent with its obligations under the preceding sentence, Comcast and AT&T will commit to and implement divestitures, hold separate or similar transactions or actions with respect to assets or businesses of the Comcast Group and the AT&T Broadband Group, which commitments and implementations may, at Comcast's or AT&T's option, be conditioned upon and effective as of the Effective Time. No party hereto shall, directly or indirectly, extend any waiting period under the HSR Act or enter into any agreement with a Governmental Authority to delay or to not consummate the Mergers or the other transactions contemplated by this Agreement, except with the prior written consent of the other parties. The parties' actions with respect to this paragraph shall be reasonable and reasonably calculated to facilitate consummation of the Mergers by the End Date. Subject to applicable law relating to the exchange of information, Comcast and AT&T shall have the right to review in advance, and to the extent practicable each will consult the other on, all the information relating to Comcast and the Comcast Subsidiaries or AT&T and the AT&T Broadband Subsidiaries, as the case may be, that appears in any Filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Mergers and the other transactions contemplated hereby. Prior to the date hereof, each of Comcast and AT&T has provided to the other a list of all material Franchise Consents of such party, all material License Consents of such party, all material PUC Consents of such party and all rights that any Person may have under the terms of such party's material Franchises to purchase all or any portion of a System owned and operated by such party as a result of the transactions contemplated hereby ("Purchase Rights").

(b) In furtherance and not in limitation of the foregoing, each of AT&T and Comcast agrees to (i) make an appropriate Filing of a Notification and Report Form pursuant to the HSR Act with respect to the Mergers and the other transactions contemplated hereby as promptly as practicable (and, in any event, within 45 calendar days of the date of this Agreement), (ii) supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and (iii) complete the review process under the HSR Act to permit the consummation of the Mergers and the other transactions contemplated hereby, including causing the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable.

SECTION 9.02. Joint Proxy Statement; Registration Statement. (a) As promptly as practicable after the date hereof (and, in any event, within 60 calendar

days of the date of this Agreement) the parties hereto shall prepare and File the Joint Proxy Statement and the Registration Statement (in which the Joint Proxy Statement will be included) with the SEC. AT&T and Comcast shall use their reasonable best efforts to cause the Registration Statement to become effective under the 1933 Act as soon after such Filing as practicable and to keep the Registration Statement effective as long as is necessary to consummate the Mergers. The Joint Proxy Statement shall include the recommendation of the Board of Directors of Comcast in favor of approval of each of the proposals in respect of the Comcast Shareholders' Approvals and the Preferred Structure Approval and the recommendation of the Board of Directors of AT&T in favor of approval of each of the proposals in respect of the AT&T Shareholders' Approvals, except to the extent the Board of Directors of AT&T shall have withdrawn or modified its approval or recommendation in favor of approval of either of the proposals in respect of the AT&T Shareholders' Approvals as permitted by Section 8.02(b). Comcast and AT&T each shall use its reasonable best efforts to cause the Joint Proxy Statement to be mailed to its respective shareholders as promptly as practicable after the Registration Statement becomes effective. Each of Comcast and AT&T shall promptly provide copies, consult with each other and prepare written responses with respect to any written comments received from the SEC with respect to the Joint Proxy Statement and the Registration Statement and advise one another of any oral comments received from the SEC. The Registration Statement and the Joint Proxy Statement shall comply as to form in all material respects with the rules and regulations promulgated by the SEC under the 1933 Act and the 1934 Act, respectively.

(b) AT&T and Comcast shall make all necessary Filings with respect to the Mergers and the transactions contemplated hereby under the 1933 Act and the 1934 Act and applicable state "blue sky" laws and the rules and regulations thereunder. Each party hereto will advise the other parties, promptly after it receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been Filed, the issuance of any stop order, the suspension of the qualification of the Parent Common Stock issuable in connection with the Mergers for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Joint Proxy Statement or the Registration Statement or comments thereon and responses thereto or requests by the SEC for additional information. No amendment or supplement to the Joint Proxy Statement or the Registration Statement shall be Filed without the approval of both AT&T and Comcast, which approval shall not be unreasonably withheld or delayed. If, at any time prior to the Effective Time, any information relating to AT&T or Comcast, or any of their respective Affiliates, officers or directors should be discovered by AT&T or Comcast that should be set forth in an amendment or supplement to the Registration Statement or the Joint Proxy Statement so that such documents would not include any misstatement of a

material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party hereto that discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly Filed with the SEC and, to the extent required by law, disseminated to the shareholders of AT&T and Comcast.

SECTION 9.03. Public Announcements. So long as this Agreement is in effect, Comcast and AT&T will consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except as may be required by applicable law or any listing agreement with any national securities exchange or quotation system, will not issue any such press release or make any such public statement without the prior consent of the other, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, any such press release or public statement that may be required by applicable law or any listing agreement with any national securities exchange or quotation system may be issued without such consent, if the party hereto making such release or statement has used its reasonable best efforts to consult with the other parties.

SECTION 9.04. Further Assurances. At and after the Effective Time, the officers and directors of the applicable Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of AT&T Broadband or Comcast, as the case may be, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of AT&T Broadband or Comcast, as the case may be, any other actions and things to vest, perfect or confirm of record in such Surviving Corporation, any and all right, title and interest in, to and under any of the rights, properties or assets of AT&T Broadband or Comcast, as the case may be, acquired or to be acquired by such Surviving Corporation, as a result of or in connection with the applicable Merger.

SECTION 9.05. Access to Information. From the date hereof until the Effective Time or earlier termination of this Agreement and subject to applicable law and the Confidentiality Agreements, each of Comcast and AT&T shall (a) give to the other and the other's legal counsel, Financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of such party and its Subsidiaries, (b) furnish to the other and the other's counsel, Financial advisors, auditors and other authorized representatives such Financial and operating data and other information as such Persons may reasonably request and (c) instruct its employees, legal counsel, Financial advisors, auditors and other authorized representatives to cooperate with the other in such other party's investigation. Any investigation pursuant to this Section 9.05 shall be conducted in a manner as not

to interfere unreasonably with the conduct of the business of the party being investigated. No information or knowledge obtained in any investigation pursuant to this Section 9.05 shall affect or be deemed to modify any representation or warranty made by any party hereunder. Each party hereto will hold such information that is non-public in confidence in accordance with the provisions of the applicable Confidentiality Agreement.

SECTION 9.06. Tax-free Transactions. (a) Prior to the Effective Time, each party hereto shall use its best efforts to cause the Mergers to qualify as tax-free exchanges described in Section 351 of the Code ("351 Transactions"), and will not take any action reasonably likely to cause the Mergers not to so qualify.

(b) Prior to the Effective Time, each party hereto shall use its best efforts to (i) cause the Separation and Distribution to qualify as tax-free transactions pursuant to Sections 355 and 368(a) of the Code, and will not take any action reasonably likely to cause the Separation and Distribution not to so qualify and (ii) ensure that the Mergers will not cause the Separation and Distribution to fail to be qualified as tax-free transactions pursuant to Sections 355 and 368(a) of the Code.

(c) Each party hereto shall use its best efforts to obtain (i) the ruling or opinion referred to in Section 10.01(j) and (ii) the opinions referred to in Sections 10.02(b) and 10.03(b).

SECTION 9.07. Affiliates. (a) Within 30 days following the date of the AT&T Shareholders' Meeting, AT&T shall deliver to Comcast a letter identifying all known Persons who may be deemed affiliates of AT&T Broadband under Rule 145 of the 1933 Act (an "AT&T Rule 145 Affiliate"). AT&T shall use its reasonable best efforts to obtain and deliver to Comcast a written agreement from each AT&T Broadband Rule 145 Affiliate as soon as practicable and, in any event, prior to the Effective Time, substantially in the form attached as Exhibit B.

(b) Within 30 days following the date of the Comcast Shareholders' Meeting, Comcast shall deliver to AT&T a letter identifying all known Persons who may be deemed affiliates of Comcast under Rule 145 of the 1933 Act (an "Comcast Rule 145 Affiliate"). Comcast shall use its reasonable best efforts to obtain and deliver to AT&T a written agreement from each Comcast Rule 145 Affiliate as soon as practicable and, in any event, prior to the Effective Time, substantially in the form attached as Exhibit B.

SECTION 9.08. Governance and Other Matters. Parent shall take all actions necessary so that at the Effective Time the Parent Board of Directors shall

consist of 12 directors, five (5) of whom shall be then-existing Comcast directors designated by Comcast, five (5) of whom shall be then-existing AT&T directors designated by AT&T and two (2) of whom shall be Independent Persons jointly designated by Comcast and AT&T. Except as set forth on the Comcast Disclosure Schedule or the AT&T Disclosure Schedule, the individuals designated to be members of the Parent Board of Directors shall be mutually agreed by Comcast and AT&T. The senior officers of Parent at the Effective Time shall be designated by the chief executive officer of Comcast in consultation with the chief executive officer of AT&T. Until Parent's 2005 annual meeting of shareholders, Parent shall maintain an executive office in the New York City metropolitan area. The headquarters for Parent shall initially be in Philadelphia, Pennsylvania.

SECTION 9.09. Notices of Certain Events. Each of Comcast and AT&T shall promptly notify the other of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated hereby;

(b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated hereby;

(c) the occurrence, or nonoccurrence, of any event the occurrence, or nonoccurrence, of which would reasonably be expected to cause any representation or warranty contained herein to be untrue or inaccurate in any material respect at any time during the period commencing on the date hereof and ending at the Effective Time; and

(d) any failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 9.09 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 9.10. Section 16 Matters. Prior to the Effective Time, Comcast, AT&T and AT&T Broadband shall take all such actions as may be required to cause any (i) dispositions of AT&T Common Stock or AT&T Broadband Common Stock (including derivative securities with respect to AT&T Common Stock or AT&T Broadband Common Stock) or Comcast Common Stock (including derivative securities with respect to Comcast Common Stock) or (ii) acquisitions of Parent Common Stock (including derivative securities with respect to Parent Common Stock) resulting from the transactions contemplated by this Agreement by each individual who is subject to the reporting requirements of

Section 16(a) of the 1934 Act with respect to AT&T, AT&T Broadband or Comcast, or will become subject to such reporting requirements with respect to Parent, to be exempt under Rule 16b-3 promulgated under the 1934 Act.

SECTION 9.11. Director and Officer Liability. (a) Parent shall indemnify and hold harmless and advance expenses to the present and former officers and directors of AT&T, the AT&T Subsidiaries, AT&T Broadband, the AT&T Broadband Subsidiaries, Comcast and the Comcast Subsidiaries, and each individual who prior to the Effective Time becomes an officer or director of AT&T, an AT&T Subsidiary, AT&T Broadband, an AT&T Broadband Subsidiary, Comcast or a Comcast Subsidiary (each an "Indemnified Person"), in respect of acts or omissions by them in their capacities as such occurring at or prior to the Effective Time (including for acts or omissions occurring in connection with this Agreement and the consummation of the transactions contemplated hereby) to the maximum extent permitted by law ("Indemnified Losses"); provided that notwithstanding the foregoing Parent shall have no obligation to indemnify and hold harmless and advance expenses to any Indemnified Person in respect of acts or omissions of such Indemnified Person that occurred while such Indemnified Person was acting in a capacity for AT&T and its Subsidiaries other than in connection with either the AT&T Broadband Group or this Agreement and the transactions contemplated hereby; provided, further, that AT&T shall indemnify and hold harmless Parent for 50% of any Indemnified Losses arising out of acts or omissions of the AT&T officers and directors in connection with this Agreement and the consummation of the transactions contemplated hereby. Without limiting the generality of the foregoing, the Indemnified Losses shall include reasonable costs of prosecuting a claim under this Section 9.11(a). Parent shall periodically advance or reimburse each Indemnified Person for all reasonable fees and expenses of counsel constituting Indemnified Losses as such fees and expenses are incurred; provided that such Indemnified Person shall agree to promptly repay to Parent the amount of any such reimbursement if it shall be judicially determined by judgment or order not subject to further appeal or discretionary review that such Indemnified Person is not entitled to be Indemnified by Parent in connection with such matter. In the event that Parent sells, transfers or leases all or substantially all of its assets or is not a surviving corporation in any merger, consolidation or other business combination in which it may enter with any Person, Parent shall, as a condition of any such transaction, cause such purchaser or such surviving corporation, as the case may be, to assume Parent's obligations under this Section 9.11 upon the consummation of any such transaction.

(b) For six years after the Effective Time, Parent shall provide or shall cause each of the Surviving Corporations to provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective

Time (including for acts or omissions occurring in connection with this Agreement and the consummation of the transactions contemplated hereby), covering each such Indemnified Person (but, in the case of officers and directors of AT&T and its Subsidiaries, only in respect of acts or omissions of such person acting in connection with the AT&T Broadband Group or this Agreement and the transactions contemplated hereby) currently covered by the officers' and directors' liability insurance policy of AT&T or Comcast, as the case may be, on terms with respect to coverage and amount (including with respect to the payment of attorneys' fees) no less favorable than those of such policy in effect on the date hereof; provided that, if the aggregate annual premiums for such insurance during such period shall exceed 300% of the per annum rate of premium paid by either AT&T or Comcast as of the date hereof for such insurance, then Parent shall provide or cause to be provided a policy for the applicable individuals with the best coverage as shall then be available at 300% of such rate (it being agreed that in the event that Parent or its Affiliate shall pay premiums in excess of such rate in order to cover directors or officers of one such entity, it shall pay premiums at such higher rate to cover directors or officers of the other such entity).

(c) The rights of each Indemnified Person and his or her heirs and legal representatives under this Section 9.11 shall be in addition to any rights such Indemnified Person may have under the certificate of incorporation or bylaws of AT&T, any AT&T Subsidiary, AT&T Broadband, any AT&T Broadband Subsidiary, Comcast or any Comcast Subsidiary, or under the PBCL, the NYBCL, the DGCL or any other applicable law.

SECTION 9.12. Listing of Stock. Comcast and Parent shall use their respective reasonable best efforts to cause the shares of Parent Class A Common Stock and the Parent Class A Special Common Stock (and, if applicable, Parent Class C Common Stock) to be issued in connection with the Mergers and reserved for issuance in connection with the AT&T Stock Options, the AT&T Equity Awards, the Comcast Options and the Comcast Equity Awards to be approved for listing on Nasdaq subject to official notice of issuance.

SECTION 9.13. Employee Matters. (a) Parent shall and shall cause its Subsidiaries (including the AT&T Broadband Surviving Corporation and the Comcast Surviving Corporation) to:

(i) honor the terms of all Broadband Employee Plans and Broadband Benefit Arrangements, and to pay or provide, or cause its Subsidiaries to pay or provide, the benefits required thereunder, recognizing that the consummation of the transactions contemplated hereby will constitute a "change in control" for purposes of the Broadband Employee Plans and Broadband Benefit Arrangements that include a

provision for modifications to benefits in the event of a "change in control";

(ii) until December 31, 2003 (the "Benefits Maintenance Period"), with respect to Broadband Employees (other than those subject to collective bargaining obligations or agreements), provide a level of aggregate employee benefits and compensation, taking into account all Employee Plans and Benefit Arrangements and other programs sponsored or maintained by AT&T and the AT&T Subsidiaries listed in Section 6.18(a) of the AT&T Disclosure Schedule to the extent they remain in effect, but excluding any severance, separation, or similar plan, program, policy or arrangement ("Severance Plans") that is substantially comparable in the aggregate to the aggregate employee benefits and compensation provided, with respect to service to AT&T Broadband or any of the AT&T Broadband Subsidiaries, to the Broadband Employees immediately prior to the Effective Time (excluding benefits provided under any Severance Plans); and

(iii) until December 31, 2003, continue, without any change adverse to Broadband Employees, each severance plan identified in Section 6.18(a) of the AT&T Disclosure Schedule (the "AT&T Severance Plans").

(b) If Broadband Employees are included in any Employee Plan, Benefit Arrangement or International Plan sponsored or maintained by Parent or any of its Subsidiaries following the Effective Time, the Broadband Employees shall receive credit for service with AT&T and the AT&T Subsidiaries and their predecessors prior to the Effective Time to the same extent and for the same purposes thereunder as such service was counted under similar predecessor Employee Plans and Benefit Arrangements for all purposes (except that, with respect to benefit accrual, such service shall not be counted to the extent that it would result in a duplication of benefits and shall not be counted for purposes of benefit accrual under any defined benefit plan); provided, however, that service with respect to Broadband Employees subject to collective bargaining agreements or obligations shall be determined under such collective bargaining agreements or obligations. Notwithstanding the foregoing, as soon as practicable after the Benefits Maintenance Period, Broadband Employees who satisfy eligibility requirements shall be allowed to participate in any retirement medical or life insurance benefit plan then sponsored or maintained by Parent or any of its Subsidiaries. If Broadband Employees or their dependents are included in any medical, dental or health plan (a "Successor Plan") other than the plan or plans in which they participated immediately prior to the Effective Time (a "Prior Plan"), any such Successor Plan shall not include any restrictions or limitations with

respect to pre-existing condition exclusions or any actively-at-work requirements (except to the extent such exclusions were applicable under any similar Prior Plan at the Effective Time) and any eligible expenses incurred by any Broadband Employee and his or her covered dependents during the portion of the plan year of such Prior Plan ending on the date such employee's participation in such Successor Plan begins shall be taken into account under such Successor Plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such Broadband Employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such Successor Plan. Without limiting the generality of the foregoing, for purposes of determining severance pay and benefits under any applicable Broadband Severance Plan or other Severance Plan covering a Broadband Employee at or after the Effective Time, each Broadband Employee shall receive credit for service prior to the Effective Time with AT&T and the AT&T Subsidiaries and their predecessors to the same extent and for the same purposes as such service was counted under the applicable Broadband Severance Plans as in effect before the Effective Time, as well as for service from and after the Effective Time with Parent and any of its Subsidiaries (including the AT&T Broadband Surviving Corporation and the Comcast Surviving Corporation).

(c) As soon as practicable after the Effective Time, Parent shall offer a one-time grant of options to purchase a number of shares of Parent Common Stock equal to 300 multiplied by the Exchange Ratio to each full-time employee of Parent or any of its Subsidiaries (excluding any employee of a non-wholly owned Comcast Subsidiary if the applicable subsidiary was a non-wholly owned Comcast Subsidiary prior to the Effective Time, but including, for the avoidance of doubt, each Broadband Employee).

(d) Except as otherwise specifically set forth above, nothing contained herein shall be construed as requiring Parent or any of its Subsidiaries to continue any specific Employee Plan or Benefit Arrangement, or to continue the employment of any specific person; provided, however, that any changes that Parent or any of its Subsidiaries may make to any such Employee Plan or Benefit Arrangement are permitted by the terms of the applicable Employee Plan or Benefit Arrangement and under any applicable law.

SECTION 9.14. Employment Agreements. Parent shall offer to enter into an employment agreement, effective as of the Effective Time, with each of Mr. Brian L. Roberts, Mr. Ralph J. Roberts and Mr. C. Michael Armstrong, in each case on substantially the same terms as his existing employment agreement with Comcast or AT&T, as the case may be, except that (a) "Parent" shall be substituted for "Comcast" or "AT&T", as the case may be, wherever such term appears in his existing employment agreement, (b) such additional concomitant

adjustments as may be necessary to reflect the foregoing shall be made, (c) such additional changes to reflect the provisions with respect to governance set forth in the Parent Charter shall be made and (d) the term of the employment agreement shall be extended to terminate no earlier than the date of the annual meeting of shareholders of Parent in 2005.

SECTION 9.15. Interim Finance Committee. (a) The parties agree promptly to establish an Interim Finance Committee, comprised of Lawrence S. Smith (or if he is unavailable to serve, another senior officer of Comcast appointed by Comcast) and Charles Noski (or if he is unavailable to serve, another senior officer of AT&T Broadband appointed by AT&T) for the purpose of engaging in Financial planning for AT&T Broadband. The Interim Finance Committee will seek to arrange Financing (the "Financing") in an amount sufficient to (a) pay to AT&T at the Effective Time an amount equal to any Indebtedness owed by any AT&T Broadband Entity to AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) at such time (including, if applicable, the intercompany Indebtedness referred to in Section 9.18), (b) refinance any of the TOPRS that will be called for redemption at the Effective Time or shortly thereafter and (c) provide appropriate cash reserves to fund the operations of AT&T Broadband after the Effective Time, including the costs and expenses of AT&T Broadband under Section 11.03(a). In the event the Interim Finance Committee agrees upon the Financing, Comcast shall use its reasonable best efforts to arrange for the Financing on the terms agreed by the Interim Finance Committee. In the event Comcast is unable to obtain the Financing so agreed upon by the Interim Finance Committee or the Interim Finance Committee does not agree upon the Financing, Comcast shall arrange for a senior credit facility with a term not exceeding five years to provide the Financing. The Interim Finance Committee may consult with Financial advisors to the extent it deems necessary or advisable.

(b) The Interim Finance Committee shall also have responsibility for monitoring AT&T's progress in obtaining the Note Consents and in taking other actions in furtherance of the satisfaction of the condition specified in Section 10.01(1). At the request of AT&T, the Interim Finance Committee shall give due consideration to any request made by AT&T that Comcast share in costs and expenses incurred by AT&T in connection with an exchange offer, a tender offer, a defeasance or other action proposed by AT&T in furtherance of satisfaction of the condition specified in Section 10.01(1). After such consideration, the Interim Finance Committee shall deliver a recommendation to Comcast of the portion (if any) of the costs and expenses that the Interim Finance Committee reasonably believes represents Comcast's equitable share of the costs and expenses that would be incurred in connection with such action. Comcast shall give due consideration to the recommendation of the Interim Finance Committee but shall

have no obligation to pay AT&T for any of such costs and expenses unless Comcast expressly consents thereto in writing. Any expenses that Comcast so expressly consents to pay shall, to the extent incurred, be treated as costs of obtaining Note Consents for purposes of this Section 9.15(b) and Section 11.03(a). The costs and expenses of obtaining the Note Consents shall be paid for by AT&T except as provided in Section 11.03(a).

SECTION 9.16. TOPRS. (a) Subject to Section 9.16(d), at the Effective Time, Parent shall (i) call for redemption each series of TOPRS that is redeemable in accordance with its terms at the Effective Time and as to which AT&T has guaranteed the obligations of the applicable Subsidiary Trust, issuer or other obligor, (ii) cause AT&T to be released from any such guarantee of the obligations of the applicable Subsidiary Trust, issuer or other obligor in respect of such series or (iii) comply with Section 9.16(d) with respect to such series.

(b) Subject to Section 9.16(d), with respect to any series of TOPRS that is not redeemable in accordance with its terms at the Effective Time and as to which AT&T has guaranteed the obligations of the applicable Subsidiary Trust, issuer or other obligor, Parent shall (i) redeem, or cause to be redeemed, such series of TOPRS on the earliest date on which such TOPRS may be redeemed in accordance with their terms, (ii) cause AT&T to be released from any such guarantee of the obligations of the applicable Subsidiary Trust, issuer or other obligor on such date in respect of such series or (iii) comply with Section 9.16(d) with respect to such series on such date.

(c) The parties shall reasonably cooperate prior to the Effective Time in connection with the transactions contemplated by this Section 9.16.

(d) If Parent does not comply with its obligations under Section 9.16(a) (i) or (ii) or Section 9.16(b) (i) or (ii), then with respect to each series as to which it has failed to so comply, it will post, or cause to be posted at the applicable time set forth above, a letter of credit from a United States Financial institution reasonably acceptable to AT&T containing the terms contemplated hereby and otherwise in form and substance reasonably acceptable to AT&T (including any renewals thereof, the "Letter of Credit"). The term of the initial Letter of Credit shall be no less than one year. Prior to the 60 days prior to the expiration of any Letter of Credit, Parent shall renew or extend, or cause to be renewed or extended, the Letter of Credit for at least one additional year. AT&T shall be entitled to draw under any Letter of Credit if AT&T makes any payment in respect of its guarantees relating to the TOPRS or if any Letter of Credit is not renewed at least 60 days prior to the expiration thereof on the terms contemplated by this Section. The face amount of each Letter of Credit shall at all times be no less than the combined monetary liabilities under guarantees with respect to the

principal amount of notes held by the applicable trust of all series of TOPRS as to which Parent has not complied with Section 9.16(a)(i) or (ii) or Section 9.16(b)(i) or (ii) above and as to which AT&T has guaranteed (A) the obligations of the applicable Subsidiary Trust, issuer or other obligor with respect to such unredeemed TOPRS and (B) the obligations of AT&T Broadband, LLC or MediaOne Group, Inc., as applicable, as "Sponsor" pursuant to the declaration of trust applicable to the issuing Subsidiary Trust. The obligation of Parent to post, or cause to be posted, the Letter of Credit shall terminate with respect to any portion of the TOPRS with respect to which any guarantee of AT&T is fully, irrevocably and unconditionally released and discharged, whether as a result of refinancing or otherwise. Upon the posting, if any, of the Letter of Credit, Parent shall provide AT&T with copies of all documentation relating to such Letter of Credit and all such documentation shall be in form and substance reasonably satisfactory to AT&T.

SECTION 9.17. Consideration. AT&T and Comcast acknowledge and agree that the grant by AT&T Broadband of the rights pursuant to Section 2.11 of the Separation and Distribution Agreement and the assumption by AT&T Broadband of the deferred tax liability pursuant to Section 3.7(f) of the Tax Sharing Agreement constitute a portion of the consideration payable in respect of the AT&T Broadband Group's interest in TWE.

SECTION 9.18. QUIPS. (a) If on the date that would otherwise be the Closing Date the QUIPS Exchange does not occur (such date, the "QUIPS Failure Date"), then subject to Section 9.18(c), the Closing Date shall be delayed as provided in this Section 9.18. Following the QUIPS Failure Date, AT&T and Comcast will use their commercially reasonable efforts to consummate the QUIPS Exchange. If Microsoft thereafter agrees to consummate the QUIPS Exchange, then subject to the QUIPS Exchange occurring on the Closing Date, the Closing Date shall occur on the earliest date practicable or, if on such date all conditions to the Mergers set forth in Article 10, other than conditions that by their nature are to be satisfied at the Effective Time, are not satisfied or (to the extent permissible) waived, on the earliest date after such date on which all such conditions are satisfied or (to the extent permissible) waived unless this Agreement is previously terminated in accordance with its terms.

(b) In the event that the Closing Date does not occur within thirty (30) days of the QUIPS Failure Date, AT&T may for a period of fifteen (15) calendar days commencing on such 30th day elect to terminate this Agreement by giving two Business Days' written notice to Comcast of its intent to terminate this Agreement pursuant to this Section 9.18(b). Notwithstanding the foregoing, AT&T's notice to terminate this Agreement pursuant to this Section 9.18(b) shall not be effective if, prior to the expiration of such two Business Day period,

Comcast delivers a written notice pursuant to and in accordance with the second sentence of Section 9.18(c) (which notice complies with the proviso thereof), unless Comcast fails to close within 60 days of the QUIPS Failure Date, in which event AT&T shall be entitled to terminate this Agreement.

(c) If the Closing Date has not occurred pursuant to Section 9.18(a) and AT&T has not effectively terminated this Agreement pursuant to Section 9.18(b), Comcast shall have the right to delay the consummation of the Mergers and the other transactions contemplated by this Agreement until the date that is one hundred eighty (180) calendar days after the QUIPS Failure Date. At any time prior to the expiration of the 180 calendar day period referred to in the preceding sentence, Comcast may elect to consummate the Mergers and the other transactions contemplated by this Agreement on ten (10) Business Days' written notice to AT&T in which event the Closing Date shall occur on the date specified by Comcast in its notice or, if on such date all conditions to the Mergers set forth in Article 10, other than conditions that by their nature are to be satisfied at the Effective Time, are not satisfied or (to the extent permissible) waived, on the earliest date after such date on which all such conditions are satisfied or (to the extent permissible) waived; provided that if Comcast delivers a notice pursuant to this Section 9.18(c) prior to the second Business Day occurring after the forty-Fifth calendar day after the QUIPS Failure Date, Comcast must specify a date in its notice that is no later than the sixtieth day after the QUIPS Failure Date. Notwithstanding the foregoing, the Closing Date shall occur no later than the date that is one hundred eighty (180) calendar days after the QUIPS Failure Date or, if on such date all conditions to the Mergers set forth in Article 10, other than conditions that by their nature are to be satisfied at the Effective Time, are not satisfied or (to the extent permissible) waived, on the earliest date after such date on which all such conditions are satisfied or (to the extent permissible) waived.

(d) If at any time during the 180 calendar day period specified above, it appears reasonably unlikely that the QUIPS Exchange shall occur, AT&T and Comcast will use their commercially reasonable efforts to obtain, on terms reasonably acceptable to Comcast and AT&T, the consent of Microsoft to the QUIPS Transfer. If Microsoft consents to the QUIPS Transfer in accordance with the preceding sentence and on any Closing Date specified or determined pursuant to Section 9.18(c) the QUIPS Exchange does not occur, the QUIPS Transfer shall be effected on such Closing Date.

(e) On any Closing Date specified or determined pursuant to Section 9.18(c), if neither the QUIPS Exchange nor the QUIPS Transfer occurs, AT&T Broadband will, immediately prior to the Separation on such Closing Date, pay to AT&T an amount equal to the QUIPS Fair Market Value as determined as set forth below in Section 9.18(f), which payment shall be made to give effect to the

retention of the QUIPS by AT&T and in connection with the transfer of assets and liabilities to AT&T Broadband as contemplated herein.

(f) Within 10 (ten) Business Days after the QUIPS Failure Date, each of AT&T and Comcast shall deliver to the other an appraisal conducted by an investment banking firm of nationally recognized standing of the fair market value of the QUIPS at such time. If the higher of the two appraisals is not greater than 110% of the lower of the two appraisals, then the average of the two appraisals shall be deemed to be the fair market value of the QUIPS. If the higher of the two appraisals is greater than 110% of the lower of the two appraisals, then the two investment banking firms shall promptly select a third investment banking Firm of nationally recognized standing acceptable to Comcast and AT&T and shall cause such Firm to deliver within ten (10) Business Days of the delivery of the initial appraisals an appraisal of the fair market value of the QUIPS. In the event such third appraisal is required pursuant to the immediately preceding sentence, the fair market value of the QUIPS as determined by such third appraisal shall be averaged with the initial appraisal that was closer in value to such third appraisal and such average shall be deemed to be the fair market value of the QUIPS. The fair market value of the QUIPS as determined pursuant to this Section 9.18(f) is referred to herein as the "QUIPS Fair Market Value" and shall be determined without regard to accrued and unpaid interest on the QUIPS.

(g) Notwithstanding any other provision of this Agreement, if the Closing Date is delayed pursuant to this Section 9.18, the End Date shall be extended for the aggregate period of the delay; provided that the End Date shall in no event be extended pursuant to this Section 9.18(g) for a period exceeding one hundred eighty-five (185) calendar days after the QUIPS Failure Date.

(h) In the event that the QUIPS Exchange and the QUIPS Transfer do not occur, AT&T Broadband shall have no liability in respect of the QUIPS other than as provided in Section 5.03(e) of the Separation and Distribution Agreement and subject to Section 9.18(e). In the event that the QUIPS Exchange does occur, none of AT&T Broadband and its Affiliates shall have any further liability in respect of the QUIPS notwithstanding anything to the contrary contained herein or in any other Transaction Agreement; provided that this sentence shall not apply if the QUIPS Exchange is unwound pursuant to Section 3.03 of the Exchange Agreement. If the QUIPS Exchange has been completed and not unwound AT&T will cancel the QUIPS immediately after the Effective Time.

(i) AT&T and Comcast acknowledge and agree that in the event of an Exchange Closing (as defined in the Exchange Agreement), notwithstanding anything to the contrary in the Indenture or in the Trust Agreement, interest in respect of the Debentures and Distributions (as defined in the Exchange

Agreement) in respect of the QUIPS shall accrue up to and including the day immediately prior to, and shall be payable on, the date of the Exchange Closing.

(j) For purposes of this Section 9.18, "QUIPS Transfer" means the following actions: (i) the execution by AT&T Broadband of documents and agreements identical in form, substance and economic effect to the holder of QUIPS to the existing QUIPS transaction documents (including, but not limited to, the Trust Agreement, the Trust Common Securities, the Indenture, the Debentures, the Guarantee Agreement, the Expense Agreement and the Registration Rights Agreement and any documents or agreements executed in connection therewith or delivered pursuant thereto, but excluding any such documents or provisions of such documents relating to the warrants issued to Microsoft in connection with the sale of the QUIPS or relating to commercial transactions entered into in connection with the issuance of the QUIPS), except such differences as are required to reflect the identity of AT&T Broadband (rather than AT&T) as party to each thereof and except that Article 12 of Indenture will provide that, prior to the Mergers, the Debentures will be convertible into AT&T Broadband Common Stock and following the Mergers, the Debentures will be convertible into shares of Parent Common Stock, in each case, at a conversion price appropriately adjusted for the Distribution and the Mergers, (ii) the delivery by AT&T Broadband of all such replacement QUIPS transaction documents other than the replacement Trust Common Securities to AT&T or its designee and retention by AT&T Broadband of the replacement Trust Common Securities, (iii) the delivery by AT&T or AT&T's designee of all such replacement QUIPS transaction documents received from AT&T Broadband to Microsoft in exchange for transfer by Microsoft to AT&T of the existing QUIPS transaction documents and the release of AT&T and its subsidiaries in full from any obligations under any of such agreements and the termination of all rights of Microsoft thereunder other than the documents and rights relating to the warrants issued to Microsoft by AT&T in connection with the sale of the QUIPS and (iv) the termination of any further liability of the AT&T Broadband Group in respect of the QUIPS; all of the foregoing to be on terms reasonably satisfactory to AT&T and AT&T Broadband.

SECTION 9.19. Index Stock. Each of Parent, Comcast and AT&T agrees to use its reasonable best efforts to cause (i) if the Preferred Structure Approval is obtained, the Parent Class A Common Stock to be included in the Index at the Effective Time or as promptly thereafter as possible or (ii) if the Preferred Structure Approval is not obtained, the Parent Class C Common Stock to be included in the Index at the Effective Time or as promptly thereafter as possible.

SECTION 9.20. Use of Name and Logo. (a) Effective as of the Effective Time, for a period of 180 calendar days after the Closing Date, AT&T (on behalf of itself and its Subsidiaries) hereby grants each of Parent and its Subsidiaries a

limited, non-exclusive, non-transferable, royalty-free license to use the trademarks, trade names, service marks, service names, logos and other indicia of origin of AT&T or any of its Subsidiaries (the "AT&T Marks") to the same extent, and in the same manner as, used at the Effective Time; provided that each of Parent and its Subsidiaries will exercise commercially reasonable efforts to remove all AT&T Marks from the AT&T Broadband Assets as soon as reasonably practicable, and in any event within 180 calendar days, following the Closing Date. After 180 calendar days following the Closing Date, Parent and its Subsidiaries shall have no further rights or licenses to use any of the AT&T Marks in connection with any products or services.

(b) During the 180 calendar day period provided above, Parent and its Subsidiaries shall ensure that any products or services being provided in connection with the AT&T Marks are provided in accordance with standards of quality equal to or greater than the standards of quality relating to products and services which AT&T and its Subsidiaries provided under the AT&T Marks immediately prior to the Effective Time. AT&T may conduct during regular business hours and with ten (10) calendar days prior notice an examination of products and services being provided by Parent or its Subsidiaries under the AT&T Marks at Parent's facilities to determine compliance of such products and services with the applicable standards of quality. If such products and services shall, in the reasonable opinion of AT&T, fail to conform with such standards of quality AT&T shall so notify Parent. Upon such notification Parent and its Subsidiaries shall have a reasonable time within which to conform with the standards of quality.

(c) Notwithstanding the foregoing, nothing in this Section 9.20 will require any of Parent and its Subsidiaries to remove or discontinue using any such name or mark that is affixed to converters or other items already installed in or to be used in customer homes or properties and neither Parent nor any of its Subsidiaries will have any liability in respect thereof; provided that at the First time Parent or its Subsidiaries shall have access to such converters or other items (e.g., for repair or replacement), Parent or its Subsidiaries shall completely obliterate or affix a label that completely obscures any AT&T Mark on such converters or other items.

SECTION 9.21. Exchange Agreement. Concurrently with the execution of this Agreement, AT&T and Parent are executing the Admission Agreement pursuant to which AT&T and Parent are (i) agreeing to effect the Exchange and, if necessary, the unwind of the QUIPS Exchange, as provided in the Exchange Agreement, (ii) becoming parties to the Exchange Agreement and (iii) making the representations and warranties referred to in Sections 9.01(b) and 9.01(c), respectively, thereof. AT&T will provide information to Comcast in order to

permit Comcast to satisfy its obligations under Section 6.06(b) of the Exchange Agreement, subject to applicable pre-existing third party confidentiality restrictions and subject to applicable law. AT&T and Parent agree that Microsoft will be a third party beneficiary of the First sentence of this Section 9.21.

SECTION 9.22. Significant Excepted Transactions. (a) AT&T may enter into an agreement relating to a Significant Excepted Transaction but only if such agreement would not reasonably be expected to result in a delay in the consummation of the transactions contemplated by this Agreement past the End Date; provided that, in such event, at the request of Comcast, the End Date shall be extended by the reasonably expected period of delay in the consummation of the transactions contemplated by this Agreement caused by such Significant Excepted Transaction up to 60 days.

(b) If AT&T proposes to enter into an agreement relating to a Significant Excepted Transaction that would reasonably be expected to result in a delay in the consummation of the transactions contemplated by this Agreement past the End Date but which would not reasonably be expected to result in a delay in the consummation of the transactions contemplated by this Agreement to a date that is more than sixty (60) calendar days after the End Date, then at the request of AT&T, AT&T and Comcast will use commercially reasonable efforts to obtain the consent of Microsoft to extend the date specified in Section 10.01(c) of the Exchange Agreement to the date after the End Date (which date shall be no later than sixty (60) calendar days after the End Date) on which it is reasonably anticipated that the transactions contemplated by this Agreement may be consummated if AT&T were to enter into the proposed agreement relating to the Significant Excepted Transaction. If Microsoft does not agree to so extend the date specified in Section 10.01(c) of the Exchange Agreement, AT&T may not enter into the proposed agreement relating to the Significant Excepted Transaction. If Microsoft does agree to so extend such date, AT&T may enter into the proposed agreement relating to the Significant Excepted Transaction; provided that AT&T agrees to pay and be responsible for any costs, expenses or fees payable in connection with obtaining the consent of Microsoft to so extend such date and to indemnify AT&T Broadband from any such costs, expenses or fees. In the event AT&T enters into the agreement relating to the Significant Excepted Transaction, the End Date shall be extended to the same date that Microsoft has agreed to extend the date specified in Section 10.01(c) of the Exchange Agreement but in no event more than 60 days after the prior End Date.

(c) AT&T may not enter into any agreement relating to a Significant Excepted Transaction that would reasonably be expected to result in a delay in the consummation of the transactions contemplated by this Agreement to a date that is more than sixty (60) calendar days after the End Date.

(d) For purposes of this Section 9.22, the reasonably expected delay in the consummation of the transactions contemplated by this Agreement that would result from a Significant Excepted Transaction shall be determined as of the date that AT&T would propose to enter into an agreement relating to a Significant Excepted Transaction.

SECTION 9.23. Comcast's AT&T Stock. (a) (i) Prior to the Record Date, AT&T shall designate a series of preferred shares, par value \$1.00 per share, of AT&T as the "Series K Convertible Preferred Stock" (the "AT&T Convertible Preferred Stock"). The AT&T Convertible Preferred Stock issued in accordance with Section 9.23(a)(ii) shall in the aggregate be mandatorily convertible on the twenty-third (23rd) Combined Trading Day following the Closing Date (the "Conversion Date") into a number of shares of AT&T Common Stock equal to the Conversion Amount (as adjusted to account for any stock split, dividend, reclassification, recapitalization, stock combination or similar event the record date for which is after the Record Date and on or before the Conversion Date; provided that, in the event AT&T declares a stock dividend the record date for which is the Record Date (other than the Distribution), then (x) in lieu of shares of AT&T Common Stock the AT&T Convertible Preferred Stock shall instead be convertible into a combination of AT&T Common Stock and, for each such share of AT&T Common Stock, such shares of stock as are distributed upon each share of AT&T Common Stock in such stock dividend (the "Dividend Stock") and (y) the number of shares of AT&T Common Stock and Dividend Stock for which the shares of AT&T Convertible Preferred Stock shall be convertible shall be determined according to a formula based upon the formula provided in the definition of "Conversion Amount," appropriately adjusted to account for such stock dividend by including the Trading Value or NYSE Trading Value, as the case may be, of such Dividend Stock in such formula), it being understood that the 10% limitation set forth in the definition of Conversion Amount shall apply to each class of stock to be issued upon conversion. Subject to the foregoing, the AT&T Convertible Preferred Stock shall have such rights, preferences and limitations as AT&T and Comcast shall mutually agree prior to the date that is two Business Days prior to the Record Date.

(ii) Immediately prior to the Record Date, Comcast shall exchange or cause to be exchanged each share of AT&T Common Stock held by Comcast or by any Comcast Subsidiary for one one-thousandth of a share of AT&T Convertible Preferred Stock and AT&T and Comcast shall make customary representations and warranties in connection therewith.

(b) If immediately after giving effect to the mandatory conversion on the Conversion Date pursuant to Section 9.23(a)(i), Comcast and the Comcast Subsidiaries own more than 5% of the outstanding shares of AT&T Common Stock, Comcast agrees that it will sell or cause to be sold such excess shares within one year after the Conversion Date. Prior to the time that such excess shares are sold, Comcast agrees that it will vote or cause to be voted such excess shares on all matters submitted to shareholders of AT&T in the same proportion as all other holders of such stock vote on such matter. In the event that, as of the Conversion Date, all of the excess shares could not be sold under Rule 144 under the 1933 Act within three months of the Conversion Date, AT&T shall provide customary registration rights in respect of such excess shares. The provisions of this Section 9.23(b) shall also apply to any Dividend Stock.

(c) AT&T shall not effect any stock dividend the record date for which is between the date following the Record Date and the Conversion Date, inclusive.

(d) The shares of AT&T Common Stock (and Dividend Stock, if any) issued upon conversion of the AT&T Convertible Preferred Stock shall be considered Registrable Securities (as defined in the AT&T Registration Rights Agreement), but subject to the last sentence of such definition.

ARTICLE 10
CONDITIONS TO THE MERGERS

SECTION 10.01. Conditions to the Obligations of Each Party. The obligations of each party hereto to consummate the Mergers are subject to the satisfaction of the following conditions:

(a) each of the Comcast Transaction Approval and the Comcast Parent Charter Approval shall have been obtained;

(b) each of the AT&T Transaction Approval and the AT&T Parent Charter Approval shall have been obtained;

(c) any applicable waiting period under the HSR Act relating to the Mergers or the other transactions contemplated hereby shall have expired or been terminated;

(d) no material provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Mergers or the other transactions contemplated hereby;

(e) the Registration Statement shall have been declared effective and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;

(f) the shares of Parent Common Stock to be issued in the Mergers (other than the shares of Parent Class B Common Stock) or reserved for issuance in connection with the Mergers pursuant to Section 9.12 shall have been approved for listing on Nasdaq, subject to official notice of issuance;

(g) all License Consents, Franchise Consents, PUC Consents and other consents and waivers, including waivers of all Purchase Rights, shall have been obtained, be in effect and be subject to no limitations, conditions, restrictions or obligations, except for such consents the failure of which to obtain would not, and such limitations, conditions, restrictions or obligations as would not, individually or in the aggregate, reasonably be expected to have a Comcast Material Adverse Effect or an AT&T Broadband Material Adverse Effect;

(h) no court, arbitrator or other Governmental Authority shall have issued any order, and there shall not be any statute, rule or regulation restraining or prohibiting the effective operation of the business of Parent or the AT&T Broadband Group, AT&T Broadband and the AT&T Broadband Subsidiaries or Comcast and the Comcast Subsidiaries after the Effective Time that would, individually or in the aggregate, reasonably be expected to have a Comcast Material Adverse Effect or an AT&T Broadband Material Adverse Effect;

(i) the Separation and the Distribution shall have been completed in accordance in all material respects with the terms of the Separation and Distribution Agreement such that, among other things, immediately prior to the Effective Time, AT&T Broadband and the AT&T Broadband Subsidiaries are no longer AT&T Subsidiaries;

(j) AT&T shall have obtained a supplemental private letter ruling or rulings from the IRS, in form and substance reasonably satisfactory to AT&T and Comcast, on the basis of submissions to the IRS which are reasonably satisfactory to AT&T and Comcast (provided that Comcast shall not be entitled to review those portions of any submission to the IRS that contain (1) information that relates to the AT&T Communications Business (as defined in the Separation and Distribution Agreement) or (2) information disclosure of which to Comcast could (A) violate a confidentiality or similar agreement between AT&T or one of the AT&T Subsidiaries and another Person or (B) have a significant adverse effect on AT&T or any of its businesses), which shall be in effect on the Closing Date, to

the effect that (x) the Separation and Distribution qualify as tax-free transactions pursuant to Sections 355 and 368(a) of the Code, (y) the Mergers will not cause the Separation and Distribution to fail to be qualified as a tax-free transaction pursuant to Section 355 of the Code and (z) the Separation and Distribution will not cause the distribution by AT&T of all of the common stock of AT&T Wireless Services, Inc. or of Liberty Media Corporation to fail to qualify as tax-free transactions pursuant to Sections 355 and 368(a) of the Code. In lieu of obtaining the supplemental private letter ruling from the IRS described in the immediately preceding sentence, AT&T and Comcast may mutually agree to obtain an opinion to the same effect from tax counsel of a nationally recognized reputation mutually acceptable to AT&T and Comcast in form and substance reasonably satisfactory to AT&T and Comcast, on the basis of certain facts, representations and assumptions set forth in such opinion, dated the Closing Date. In rendering the opinion described in the preceding sentence, such tax counsel may request and shall be entitled to rely upon certain documentation, including customary representations of officers of AT&T and Comcast;

(k) each of the Transaction Agreements shall have been executed and delivered by each of the parties thereto; and

(l) (i) the sum of (a) the aggregate principal amount of each series of Broadband Eligible Notes (as defined in the Offer to Exchange, dated October 4, 2002 made by AT&T pursuant to a prospectus dated October 4, 2002, as amended or supplemented from time to time (the "Exchange Offer")) and AT&T Eligible Notes (as defined in the Exchange Offer) for which Note Consents are in full force and effect, (b) the aggregate principal amount of any other series of Broadband Eligible Notes and AT&T Eligible Notes to the extent accepted in the Exchange Offer and (c) the amount of any other indebtedness issued under the Notes Indenture which has been defeased, purchased, retired or acquired since December 19, 2001, shall equal or exceed 66 2/3% of the aggregate principal amount of indebtedness outstanding under the Notes Indenture on December 19, 2001 and (ii) AT&T shall not have issued after the date of this Agreement any securities under the Notes Indenture if consummation of the Distribution or the other transactions contemplated hereby would or may require a consent of the holders of such securities.

SECTION 10.02. Conditions to the Obligations of AT&T. The obligations of AT&T to consummate the AT&T Broadband Merger are subject to the satisfaction of the following further conditions:

(a) (i) Comcast shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of Comcast contained in Sections

5.02, 5.03, 5.05, 5.08, 5.22 and 5.25 shall be true in all material respects at and as of the Effective Time, as if made at and as of such time (other than representations and warranties that address matters only as of a certain date, which shall be true and correct as of such date), (iii) the other representations and warranties of Comcast contained in this Agreement and in any certificate or other writing delivered by Comcast pursuant hereto, disregarding all qualifications and exceptions contained therein relating to materiality or a Comcast Material Adverse Effect or any similar standard or qualification, shall be true and correct at and as of the Effective Time, as if made at and as of such time (other than representations or warranties that address matters only as of a certain date, which shall be true and correct as of such date), with only such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have a Comcast Material Adverse Effect and (iv) AT&T shall have received a certificate signed by an executive officer of Comcast to the foregoing effect;

(b) AT&T shall have received an opinion of Wachtell, Lipton, Rosen & Katz in form and substance reasonably satisfactory to AT&T, on the basis of certain facts, representations and assumptions set forth in such opinion, dated the Closing Date, to the effect that the Mergers will be treated for United States federal income tax purposes as 351 Transactions. In rendering such opinion, Wachtell, Lipton, Rosen & Katz may require and shall be entitled to rely upon certain documentation, including customary representations of officers of Comcast and AT&T ; and

(c) Comcast Shareholder (or its successor) shall have performed in all material respects its obligations under the Support Agreement, and the Support Agreement shall be in full force and effect.

SECTION 10.03. Conditions to the Obligations of Comcast. The obligations of Comcast to consummate the Comcast Merger are subject to the satisfaction of the following further conditions:

(a) (i) AT&T shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) the representations and warranties of AT&T contained in Sections 6.02, 6.03, 6.05, 6.06(b), 6.06(c), 6.08, 6.22, 6.26 and 6.27 of this Agreement shall be true in all material respects at and as of the Effective Time, as if made at and as of such time (other than representations and warranties that address matters only as of a certain date, which shall be true and correct as of such date), (iii) the other representations and warranties of AT&T contained in this Agreement and in any certificate or other writing delivered by AT&T pursuant hereto disregarding all qualifications and exceptions contained therein relating to materiality or AT&T

Broadband Material Adverse Effect or any similar standard or qualification shall be true at and as of the Effective Time, as if made at and as of such time (other than representations and warranties that address matters only as of a certain date, which shall be true and correct as of such date), with only such exceptions as, individually or in the aggregate, have not had and would not reasonably be expected to have an AT&T Broadband Material Adverse Effect and (iv) Comcast shall have received a certificate signed by an executive officer of AT&T to the foregoing effect; and

(b) Comcast shall have received an opinion of Davis Polk & Wardwell in form and substance reasonably satisfactory to Comcast, on the basis of certain facts, representations and assumptions set forth in such opinion, dated the Closing Date, to the effect that the Mergers will be treated for United States federal income tax purposes as a 351 Transactions, In rendering such opinion, Davis Polk & Wardwell may require and shall be entitled to rely upon certain documentation, including customary representations of officers of Comcast and AT&T.

ARTICLE 11
TERMINATION

SECTION 11.01. Termination. This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement and the transactions contemplated hereby or the Parent Charter to be implemented at the Effective Time, including the corporate governance provisions contained therein, by the shareholders of Comcast or AT&T or AT&T Broadband):

(a) by mutual written agreement of Comcast and AT&T;

(b) by either Comcast or AT&T, if:

(i) the Mergers have not been consummated on or before March 1, 2003 (the "End Date"); provided, further, that the right to terminate this Agreement pursuant to this Section 11.01(b) (i) shall not be available to any party hereto whose breach of any provision of this Agreement results in the failure of the Mergers to be consummated by the End Date;

(ii) (A) there shall be any material law or regulation that makes consummation of the Mergers or any of the other material transactions

contemplated hereby illegal or otherwise prohibited or (B) any judgment, injunction, order or decree of any court or other Governmental Authority having competent jurisdiction enjoining the parties hereto from consummating the Mergers or any of the other material transactions contemplated hereby is entered and such judgment, injunction, order or decree shall have become final and non-appealable;

(iii) the Comcast Transaction Approval or the Comcast Parent Charter Approval shall not have been obtained at the Comcast Shareholders' Meeting (or any adjournment or postponement thereof); or

(iv) the AT&T Transaction Approval or the AT&T Parent Charter Approval shall not have been obtained at the AT&T Shareholders' Meeting (or any adjournment or postponement thereof);

(c) by AT&T if:

(i) Comcast's Board of Directors shall have failed to call the Comcast Shareholders' Meeting in accordance with Section 7.02(a), or shall have breached its obligation under Section 7.02(b);

(ii) a breach of any representation, warranty, covenant or agreement on the part of Comcast set forth in this Agreement shall have occurred that would cause the condition set forth in Section 10.02(a) not to be satisfied, and such condition shall be incapable of being satisfied by the End Date;

(iii) AT&T shall have failed to call the AT&T Shareholders' Meeting pursuant to the exercise of its delay rights under Section 8.02(a) for a period of 120 calendar days from the date the SEC has notified the parties of its willingness to declare the Registration Statement effective; or

(iv) AT&T shall have the right to terminate this Agreement pursuant to Section 9.18(b), but subject to the provisions of Section 9.18(b);

(d) by Comcast if:

(i) AT&T's Board of Directors shall have failed to recommend or withdrawn, or modified in a manner adverse to Comcast, its approval or recommendation of either of the proposals in respect of the AT&T Shareholders' Approvals, or shall have failed to call the AT&T

Shareholders' Meeting in accordance with Section 8.02(a) (or AT&T's Board of Directors resolves to do any of the foregoing);

(ii) AT&T shall have willfully and materially breached any of its obligations under Section 8.02(b) or 8.03;

(iii) a breach of any representation, warranty, covenant or agreement on the part of AT&T set forth in this Agreement shall have occurred that would cause the condition set forth in Section 10.03(a) not to be satisfied, and such condition shall be incapable of being satisfied by the End Date; or

(iv) AT&T shall have failed to call the AT&T Shareholders' Meeting pursuant to the exercise of its delay rights under Section 8.02(a) for a period of 90 calendar days from the date the SEC has notified the parties of its willingness to declare the Registration Statement effective.

The party hereto desiring to terminate this Agreement pursuant to this Section 11.01 (other than pursuant to Section 11.01(a)) shall give notice of such termination to the other parties.

SECTION 11.02. Effect of Termination. If this Agreement is terminated pursuant to Section 11.01, this Agreement shall become void and of no effect without liability of any party hereto (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other parties hereto, except that (a) the agreements contained in this Section 11.02, in the Confidentiality Agreements (subject to the terms thereof), and in Section 11.03 shall survive the termination hereof and (b) no such termination shall relieve any party hereto of any liability or damages resulting from any intentional breach by such party of a covenant or other agreement included in this Agreement or any knowing breach of a representation or warranty included in this Agreement.

SECTION 11.03. Fees and Expenses. (a) Except as otherwise provided in this Section 11.03, all costs and expenses incurred in connection with this Agreement and the other Transaction Agreements shall be paid by the party incurring such cost or expense whether or not the Mergers are consummated. Notwithstanding the foregoing, (i) AT&T shall pay any costs and expenses incurred by AT&T Broadband or any AT&T Broadband Subsidiary in connection with this Agreement and the other Transaction Agreements that are in excess of \$120 million (exclusive of any costs and expenses incurred by AT&T Broadband or any AT&T Broadband Subsidiary as described in clauses (ii), (iii), (iv) and (v) of this sentence), (ii) AT&T Broadband shall pay any costs and expenses incurred in connection with any Financing arrangements entered into by AT&T Broadband

as contemplated by Section 9.15 (other than any costs and expenses incurred in connection with the Financing arrangements entered into by AT&T Broadband and Parent on April 26, 2002 or May 3, 2002, which shall be paid by Comcast), (iii) AT&T Broadband shall pay any costs and expenses (to the extent not paid by Parent) incurred in connection with the actions contemplated by Section 9.16, (iv) AT&T Broadband shall pay 50% of any costs and expenses incurred by AT&T or any of its Subsidiaries in connection with obtaining the Note Consents (through either a one-time cash payment of a consent fee or through a coupon increase or a combination thereof) that are in excess of \$50 million, subject to and as determined in accordance with Sections 11.03(b) and 11.03(c), and (v) AT&T (other than any AT&T Broadband Entity) and Comcast each shall pay 50% of any fees and expenses, other than attorneys' and accounting fees and expenses, incurred in relation to the printing, Filing and mailing of the Registration Statement and the Joint Proxy Statement.

(b) The costs of obtaining the Note Consents shall include (i) any transaction costs paid in obtaining the Note Consents (including, without limitation, the costs, expenses and commissions of any solicitation agent, counsel, Financial advisors and underwriters, any printing and mailing costs, any SEC Filing fees, rating agency fees and any costs of the trustee under the Notes Indenture for which AT&T or any Affiliate thereof is responsible) plus (ii) (A) the amount of any one-time cash payment made to obtain a Note Consent, and (B) with respect to an increase in the coupon on any of the series of securities issued under the Notes Indenture in connection with obtaining a Note Consent, the amount equal to the excess of the present value of the increased coupon on such series of securities over the present value of the coupon on such series of securities immediately prior to the increase of the coupon, in each case calculated based on "market convention" (e.g., calculated on a 30/360 day basis in the case of a domestic fixed rate note and on an actual/360 day basis in the case of a floating rate note, etc.) using a discount rate equal to the Market Rate (determined as specified below in Section 11.03(c)). The amounts described in clauses (i) and (ii) of the immediately preceding sentence shall be reduced by the amount of any present or future tax benefit to AT&T as a result of making any payments of such amounts. Such tax benefit shall be calculated by multiplying the payment giving rise to the tax benefit by the highest combined federal, state and local marginal corporate tax rate in effect as of the Effective Time and, in the case of any future tax benefit, by discounting such future tax benefit at the Market Rate.

(c) The Market Rate shall be determined by mutual agreement of AT&T and Comcast. In the event AT&T and Comcast cannot reach agreement within five (5) calendar days of the date of determination (as set forth below), the Market Rate shall be determined by a process in which AT&T and Comcast will mutually appoint four broker/dealer Firms of national reputation to determine the

then-current market yield for each impacted series of securities. After each Firm has determined the then-current market yield for each impacted series of securities, the arithmetic average of the four rates will be the Market Rate. In determining each such Market Rate, the impacted series of securities shall be deemed to be securities of AT&T, after giving effect to the Separation, Distribution and the Mergers. Any determination of Market Rate pursuant to this Section 11.03(c) shall be Final and binding. Each of AT&T and Comcast shall bear the fees and expenses of the broker/dealer Firms which it appoints in making such determinations. The Market Rate shall be determined in the case of clause (ii)(B) of Section 11.03(b) as of the settlement date of the transaction.

(d) If this Agreement is terminated pursuant to Section 11.01(b)(iii) or 11.01(c)(i), Comcast shall pay to AT&T a termination fee of \$1.5 billion in cash (without duplication) (the "Comcast Termination Fee").

(e) If this Agreement is terminated pursuant to Section 11.01(d)(i) or 11.01(d)(ii), AT&T shall pay to Comcast (or a wholly owned subsidiary of Comcast designated by Comcast) a termination fee of \$1.5 billion in cash (without duplication) (the "AT&T Termination Fee").

(f) If (i) this Agreement is terminated pursuant to Section 11.01(b)(iv), (ii) after the date hereof and prior to the AT&T Shareholders' Meeting, an AT&T Broadband Acquisition Proposal is made or continued or renewed by any Person and not withdrawn prior to the AT&T Shareholders' Meeting and (iii) within one year of the AT&T Shareholders' Meeting, either (A) AT&T or any AT&T Subsidiary enters into an agreement with any Person with respect to an AT&T Broadband Acquisition Proposal, that provides for (I) transfer or issuance of securities representing more than 50% of the equity or voting interests in AT&T or the AT&T Broadband Group or 75% of the equity or voting interests in any AT&T Significant Broadband Subsidiary, (II) a merger, consolidation, recapitalization or another transaction resulting in the issuance of cash or securities of any Person (other than a reincorporation or a holding company merger that results in the AT&T shareholders owning all of the equity interests in the surviving corporation) to AT&T shareholders in exchange for more than 50% of the equity or voting interests in AT&T or the AT&T Broadband Group or 75% of the equity or voting interests in any AT&T Significant Broadband Subsidiary or (III) transfer of assets, securities or ownership interests representing more than 50% of the consolidated assets or EBITDA generating power of AT&T or the AT&T Broadband Group or 75% of the consolidated assets or EBITDA generating power of any AT&T Significant Broadband Subsidiary or (B) any Person commences a tender offer that results in the acquisition by the Person making the tender offer of a majority of the AT&T Common Stock, then AT&T

shall pay to Comcast (or a wholly owned subsidiary of Comcast designated by Comcast) the AT&T Termination Fee.

(g) Any payment of the Comcast Termination Fee or AT&T Termination Fee pursuant to this Section 11.03 shall be made within one Business Day after termination of this Agreement, except that any payment of the AT&T Termination Fee pursuant to Section 11.03(f) shall be paid within one Business Day after it becomes payable. Any payment of the Comcast Termination Fee or AT&T Termination Fee shall be made by wire transfer of immediately available funds. If any party hereto fails to pay to the other parties promptly any fee or expense due hereunder (including the Comcast Termination Fee or AT&T Termination Fee), the defaulting party shall pay the costs and expenses (including legal fees and expenses) in connection with any action, including the prosecution of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee at the publicly announced prime rate of The Bank of New York in New York City from the date such fee was required to be paid to the date it is paid.

(h) Notwithstanding any other provision of this Agreement, any payment by AT&T of the AT&T Termination Fee or any payment by Comcast of the Comcast Termination Fee, in each case pursuant to Section 11.03, shall relieve (i) AT&T and AT&T Broadband or (ii) Comcast, as the case may be, from any further liability or damages under any provision of this Agreement (other than Section 11.03(a)) or in connection with this Agreement and the transactions contemplated hereby.

ARTICLE 12
MISCELLANEOUS

SECTION 12.01. Notices. All notices, requests and other communications to any party hereto shall be in writing (including facsimile transmission) and shall be given,

if to AT&T, to:

AT&T Corp.
295 North Maple Avenue
Basking Ridge, New Jersey 07920
Attention: Marilyn J. Wasser
Fax: (908) 953-8360

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Richard D. Katcher
 Steven A. Rosenblum
 Stephanie J. Seligman
Fax: (212) 403-2000

if to Comcast or Merger Sub, to:

Comcast Corporation
1500 Market Street
Philadelphia, Pennsylvania 19102
Attention: General Counsel
Fax: (215) 981-7794

with a copy to

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Dennis S. Hersch
 William L. Taylor
Fax: (212) 450-4800

or such other address or facsimile number as such party hereto may hereafter specify for such purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. on a Business Day, in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

SECTION 12.02. Survival. The representations and warranties contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time or the termination of this Agreement. The AT&T Confidentiality Agreement shall terminate at the Effective Time. The covenants and agreements herein that relate to actions to be taken at or after the Effective Time shall survive the Effective Time.

SECTION 12.03. Amendments; No Waivers. (a) Subject to applicable law, any provision of this Agreement may be amended or waived prior to the Effective Time if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each of the parties hereto or, in the case of a waiver, by each party against whom the waiver is to be effective; provided that, after the adoption of this Agreement by the shareholders of Comcast or AT&T, no such amendment or waiver shall be made or given that requires the approval of the shareholders of Comcast or AT&T, respectively, unless such required approval is obtained.

(b) No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 12.04. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party hereto may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto.

SECTION 12.05. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law rules of the State of New York.

SECTION 12.06. Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in the State of New York or any New York state court, and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient form. Process in any such suit, action or proceeding may be served on either party hereto anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party hereto agrees that service of process on such party as provided in Section 12.01 shall be deemed effective service of process on such party.

SECTION 12.07. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 12.08. Counterparts; Effectiveness. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto.

SECTION 12.09. Entire Agreement; No Third Party Beneficiaries. (a) This Agreement, and the other Transaction Agreements, together with the Confidentiality Agreements, constitute the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties hereto with respect to the subject matter of this Agreement.

(b) This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Sections 4.01(e), 9.08, 9.11 and 9.14, the First sentence of Section 9.21 and the last sentence of Section 12.03(a) (which is intended to be for the benefit of the Persons covered thereby). AT&T shall be entitled to enforce the provisions of Sections 4.03, 4.04 and 4.05 after the Effective Time.

SECTION 12.10. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 12.11. Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be

entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal court located in the State of New York or any New York state court, in addition to any other remedy to which they are entitled at law or in equity.

SECTION 12.12. Schedules. Each of Comcast and AT&T has set forth information in its respective disclosure schedule in a section thereof that corresponds to the portion of the Section of this Agreement to which it relates. A matter set forth in one section of the disclosure schedule need not be set forth in any other section of the disclosure schedule so long as its relevance to the latter section of the disclosure schedule or Section of the Agreement is apparent on the face of the information disclosed in the disclosure schedule. The fact that any item of information is disclosed in a disclosure schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Such information and the dollar thresholds set forth herein shall not be used as a basis for interpreting the terms "material" or "Material Adverse Effect" or other similar terms in this Agreement, except as otherwise expressly set forth in such disclosure schedules.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AT&T CORP.

By: /s/ C. MICHAEL ARMSTRONG

Name: C. Michael Armstrong
Title: Chairman and Chief
Executive Officer

AT&T BROADBAND CORP.

By: /s/ RAYMOND E. LIGUORI

Name: Raymond E. Liguori
Title: President

COMCAST CORPORATION

By: /s/ RALPH J. ROBERTS

Name: Ralph J. Roberts
Title: Chairman

AT&T COMCAST CORPORATION

By: /s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Title: President

AT&T BROADBAND ACQUISITION
CORP.

BY: /s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Title: President

COMCAST ACQUISITION CORP.

BY: /s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Title: President

Amended and Restated Articles of Incorporation of AT&T Comcast Corporation

The Articles of Incorporation of the Corporation shall be amended and restated in their entirety so as to read as follows:

FIRST: The name of the Corporation is AT&T Comcast Corporation (the "Corporation").

SECOND: The location and post office address of the Corporation's current registered office in this Commonwealth is:

1500 Market Street, 35th floor
Philadelphia, PA 19102-2148

THIRD: The Corporation is incorporated under the provisions of the Business Corporation Law of 1988. The purpose or purposes for which the Corporation is organized are:

To have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law.

FOURTH: The term of its existence is perpetual.

FIFTH: A. The aggregate number of shares which the Corporation shall have authority to issue is SEVEN BILLION FIVE HUNDRED MILLION (7,500,000,000) shares of Class A Common Stock, par value \$0.01 per share, SEVEN BILLION FIVE HUNDRED MILLION (7,500,000,000) shares of Class A Special Common Stock, par value \$0.01 per share, SEVENTY FIVE MILLION (75,000,000) shares of Class B Common Stock, par value \$0.01 per share, and TWENTY MILLION (20,000,000) shares of Preferred Stock, which the Board of Directors may issue, in one or more series, without par value, with full, limited, multiple, fractional, or no voting rights, and with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights as shall be fixed by the Board of Directors.

B. The descriptions, preferences, qualifications, limitations, restrictions and the voting, special or relative rights in respect of the shares of each class of Common Stock are as follows:

1. (a) Subject to paragraph (B) (1) (c) of this Article FIFTH, each share of Class A Common Stock shall entitle the holder thereof to the number of votes equal to a quotient the numerator of which is the excess of (i) the Total Number of Votes (as defined below) over (ii) the sum of (A) the Total Number of B Votes (as defined below) and (B) the Total Number of Other Votes (as defined below) and the denominator of which is the number of outstanding shares of Class A Common Stock (provided that if at any time there are no outstanding shares of Class B Common Stock, each share of Class A Common Stock shall entitle the holder thereof to one (1) vote) and each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. Holders of shares of Class A Special Common Stock shall not be entitled to vote for the election of Directors (as defined below in Article SIXTH) or any other matter except as may be required by applicable law, in which case each share of Class A Special Common Stock shall entitle the holder thereof to the same number of votes to which each holder of Class A Common Stock is entitled for each of such holder's shares of Class A Common Stock. "Total Number of Votes" on any record date is equal to a quotient the numerator of which is the Total Number of B Votes on such record date and the denominator of which is the B Voting Percentage (as defined below) on such record date. "Total Number of B Votes" on any record date is equal to the product of (i) 15 and (ii) the number of outstanding shares of Class B Common Stock on such record date. "Total Number of Other Votes" on any record date means the aggregate number of votes to which holders of all classes of capital stock of the Corporation other than holders of Class A Common Stock and Class B Common Stock are entitled to cast on such record date in an election of Directors. "B Voting Percentage" on any record date means the portion (expressed as a percentage) of the total number of votes entitled to be cast in an election of Directors by the holders of capital stock of the Corporation to which all holders of Class B Common Stock are entitled to cast on such record date in an election of Directors, as specified and determined pursuant to paragraph (B) (1) (c) of this Article FIFTH.

(b) Except as provided in Article SEVENTH or required by applicable law, only the holders of Class A Common Stock, the holders of Class B Common Stock and the holders of any other class or series of Common Stock, Preferred Stock or other class of capital stock of the Corporation (if any) with voting rights shall be entitled to vote and shall vote as a single class on all matters with respect to which a vote of the shareholders of the

Corporation is required or permitted under applicable law, these Articles of Incorporation, or the By-Laws of the Corporation. Whenever applicable law, these Articles of Incorporation or the By-Laws of the

Corporation provide for a vote of the shareholders of the Corporation on any matter, approval of such matter shall require the affirmative vote of a majority of the votes cast by the holders entitled to vote thereon unless otherwise expressly provided under applicable law, these Articles of Incorporation or the By-Laws of the Corporation.

(c) Notwithstanding any other provision of these Articles of Incorporation, including paragraph (B) (1) (a) of this Article FIFTH, but subject to Article SEVENTH, with respect to any matter on which the holders of Class B Common Stock and the holders of one or more classes or series of Common Stock, Preferred Stock or any other class of capital stock of the Corporation (if any) vote as a single class, each share of Class B Common Stock shall entitle the holder thereof to the number of votes necessary so that, if all holders of Class B Common Stock and all holders of each such other class or series of Common Stock, Preferred Stock and other class of capital stock of the Corporation (if any) were to cast all votes they are entitled to cast on such matter, the holders of the Class B Common Stock in the aggregate would cast thirty three and one-third (33 1/3) per cent of the total votes cast by all such holders, subject to reduction as set forth in the following sentence. If at any time after the Effective Time for any reason whatsoever the number of shares of Class B Common Stock outstanding at such time is reduced below the number of shares of Class B Common Stock outstanding at the Effective Time (appropriately adjusted for any stock dividend paid in Class B Common Stock, stock splits or reverse stock splits of the Class B Common Stock or combinations, consolidations or reclassifications of the Class B Common Stock), the percentage specified in the preceding sentence shall be reduced to a percentage equal to the product of (i) thirty three and one-third (33 1/3) and (ii) the fraction obtained by dividing the number of shares of Class B Common Stock outstanding at such time by the number of shares of Class B Common Stock outstanding at the Effective Time (appropriately adjusted for any stock dividend paid in Class B Common Stock, stock splits or reverse stock splits of the Class B Common Stock or combinations, consolidations or reclassifications of the Class B Common Stock). No reduction in the percentage of the voting power of the Class B Common Stock pursuant to the preceding sentence shall be reversed by any issuance of Class B Common Stock that occurs after such reduction.

2. The holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such cash dividends as the Board of Directors may from time to time determine, out of such funds as are legally available therefor, in proportion to the number of shares held by them, respectively, without regard to class.

3. The holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared by the Board of Directors, such dividends of stock of the Corporation or other property as the Board of Directors may determine, out of such funds as are legally available therefor. Stock dividends on, or stock splits of, any class of Common Stock shall not be paid or issued unless paid or issued on all classes of Common Stock, in which case they shall be paid or issued only in shares of that class; provided, however, that stock dividends on, or stock splits of, Class B Common Stock may be paid or issued in shares of Class A Special Common Stock. Any decrease in the number of shares of any class of Common Stock resulting from a combination or consolidation of shares or other capital reclassification shall not be permitted unless parallel action is taken with respect to each other class of Common Stock, so that the number of shares of each class of Common Stock outstanding shall be decreased proportionately. Notwithstanding anything to the contrary contained herein, in the event of a distribution of property, plan of merger or consolidation, plan of asset transfer, plan of division, plan of exchange, or recapitalization pursuant to which the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock would be entitled to receive equity interests of one or more corporations (including, without limitation, the Corporation) or other entities, or rights to acquire such equity interests, then the Board of Directors may, by resolution duly adopted, provide that the holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock, respectively and as separate classes, shall receive with respect to their Class A Common Stock, Class A Special Common Stock, or Class B Common Stock

(whether by distribution, exchange, redemption or otherwise), in proportion to the number of shares held by them, equity interests (or rights to acquire such equity interests) of separate classes or series having substantially equivalent relative designations, preferences, qualifications, privileges, limitations, restrictions and rights as the relative designations, preferences, qualifications, privileges, limitations, restrictions and rights of the Class A Common Stock, Class A Special Common Stock and Class B Common Stock. Except as provided above, if there should be any distribution of property, merger, consolidation, purchase or acquisition of property or stock, asset transfer, division, share exchange, recapitalization or reorganization of the Corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock shall receive the shares of stock, other securities or rights or other assets as would be issuable or payable upon such distribution, merger, consolidation, purchase or acquisition of such property or stock, asset transfer, division, share exchange, recapitalization or reorganization in proportion to the number of shares held by them, respectively, without regard to class.

4. Each share of Class B Common Stock shall be convertible at the option of the holder thereof into one share of Class A Common Stock or one share of Class A Special Common Stock. Each share of Class B Common Stock shall be cancelled after it has been converted as provided herein.

5. Subject to Article SEVENTH and except as otherwise permitted by applicable law, each and any provision of these Articles of Incorporation may from time to time, when and as desired, be amended by a resolution of the Board of Directors and the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, as determined in accordance with the provisions of this Article FIFTH. There shall be no class voting on any such amendments or on any other matter except as shall be required by Article SEVENTH or by applicable law, in which case there shall be required the affirmative vote of a majority of the votes cast by the holders of the outstanding shares of each class entitled to vote by Article SEVENTH or by applicable law, voting as a separate class.

6. If there should be any merger, consolidation, purchase or acquisition of property or stock, separation, reorganization, division or share exchange, the Board of Directors shall take such action as may be necessary to enable the holders of the Class B Common Stock to receive upon any subsequent conversion of their stock into Class A Common Stock or Class A Special Common Stock (as the case may be), in whole or in part, in lieu of any shares of Class A Common Stock or Class A Special Common Stock (as the case may be) of the Corporation, the shares of stock, securities, or other assets as would be issuable or payable upon such merger, consolidation, purchase, or acquisition of property or stock, separation, reorganization, division or share exchange in respect of or in exchange for such share or shares of Class A Common Stock or Class A Special Common Stock (as the case may be).

7. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive the assets and funds of the Corporation in proportion to the number of shares held by them, respectively, without regard to class.

8. At all times the Board of Directors shall take such action to adjust the conversion privileges of the Class B Common Stock and the number of shares of Class B Common Stock to be outstanding after any particular transaction to prevent the dilution of the conversion rights of the holders of Class B Common Stock.

9. Except as expressly set forth in these Articles of Incorporation (including, without limitation, this Article FIFTH and Article SEVENTH), the rights of the holders of Class A Common Stock, the rights of the holders of Class A Special Common Stock and the rights of the holders of Class B Common Stock shall be in all respects identical.

10. Neither the holders of the Class A Common Stock nor the holders of the Class B Common Stock nor the holders of any other class or series of Common Stock, Preferred Stock or other class of capital stock of the Corporation, whether issued prior to or after the Effective Time, shall have cumulative voting rights.

SIXTH: Governance

A. Definitions

1. "AT&T" means AT&T Corp., a New York corporation.

2. "AT&T Directors" means (i) those five (5) Directors designated by AT&T to serve as members of the Board of Directors pursuant to a contractual right of AT&T to designate such Directors, (ii) any Replacement AT&T Director and (iii) any Director elected to replace an AT&T Director at the 2004 annual meeting of shareholders of the Corporation or designated as an AT&T Director pursuant to the last sentence of paragraph (E)(2) of this Article SIXTH.

3. "Board of Directors" means the Board of Directors of the Corporation.

4. "CEO" means the Chief Executive Officer of the Corporation.

5. "Chairman" means the Chairman of the Board of Directors.

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

7. "Comcast Directors" means (i) those five (5) Directors designated by Comcast to serve as members of the Board of Directors pursuant to a contractual right of Comcast to designate such Directors, (ii) any Replacement Comcast Director and (iii) any Director elected to replace a Comcast Director at the 2004 annual meeting of shareholders of the Corporation or designated as a Comcast Director pursuant to the last sentence of paragraph (E) (2) of this Article SIXTH.

8. "Director" means a director of the Corporation.

9. "Directors Nominating Committee" has the meaning specified in paragraph (E) of this Article SIXTH.

10. "Effective Time" means the date and time at which these Amended and Restated Articles of Incorporation become effective with the Department of State of the Commonwealth of Pennsylvania.

11. "Holiday" has the meaning specified in paragraph (B) (4) of this Article SIXTH.

12. "Independent Director" means (i) those two (2) Independent Persons jointly designated by AT&T and Comcast to serve as members of the Board of Directors pursuant to a contractual right of AT&T and Comcast to designate such Directors, (ii) any Replacement Independent Director and (iii) any Director elected to replace an Independent Director at the 2004 annual meeting of shareholders of the Corporation or designated as an Independent Director pursuant to the last sentence of paragraph (E) (2) of this Article SIXTH.

13. "Independent Person" means a disinterested, independent person (determined in accordance with customary standards for independent directors applicable to U.S. public companies), it being understood that (i) each individual who was a member of the Board of Directors of AT&T as of December 19, 2001 (other than Mr. C. Michael Armstrong) was deemed to be an Independent Person as of December 19, 2001, (ii) subject to clauses (iii) and (iv) of this definition, none of the members of the Board of Directors of Comcast as of December 19, 2001 was deemed to be an Independent Person as of December 19, 2001, (iii) Mr. Decker Anstrom was deemed to be an Independent Person as of December 19, 2001, (iv) for any period during which Mr. Decker Anstrom is not a Director, one person (other than Mr. Ralph J. Roberts, Mr. Brian L. Roberts, Mr. Julian A. Brodsky or Mr. Sheldon M. Bonovitz) designated by the CEO (which designation may be changed at any time by the CEO) who was a member of the Board of Directors of Comcast on December 19, 2001 and who would qualify as an Independent Person under this definition not taking into account clause (ii) of this definition shall be deemed to be an Independent Person; provided that such person shall not be eligible to be an AT&T Director or an Independent Director (any such designee, a "Comcast Independent Designee") and (v) none of the spouse, parents, siblings, lineal descendants, aunts, uncles, cousins and other close relatives (or their respective spouses) of Mr. Brian L. Roberts will be deemed Independent Persons at any time.

14. "Initial Term" means the period beginning at the Effective Time and ending at the 2004 annual meeting of shareholders of the Corporation.

15. "Replacement AT&T Director" has the meaning specified in paragraph (B) (2) of this Article SIXTH.

16. "Replacement Comcast Director" has the meaning specified in paragraph (B) (2) of this Article SIXTH.

17. "Replacement Director" has the meaning specified in paragraph (B) (2) of this Article SIXTH.

18. "Replacement Independent Director" has the meaning specified in paragraph (B) (2) of this Article SIXTH.

19. "Specified Period" means the period beginning at the Effective Time and ending at the 2005 annual meeting of shareholders of the Corporation or, if earlier, the date on which Mr. C. Michael Armstrong ceases to be the Chairman.

20. "2004 Term" means the period beginning at the 2004 annual meeting of shareholders of the Corporation and ending at the 2005 annual meeting of shareholders of the Corporation.

B. Directors

1. From the Effective Time until the expiration of the 2004 Term, the Board of Directors shall consist of twelve (12) Directors. From the Effective Time until the expiration of the 2004 Term, the Board of Directors shall consist of the Comcast Directors, the

AT&T Directors and the Independent Directors. At all times, the Board of Directors shall consist of a majority of Independent Persons.

2. From the Effective Time until the expiration of the 2004 Term, the Board of Directors shall take all action necessary to ensure that any seat on the Board of Directors held by (i) a Comcast Director which becomes vacant is filled promptly by a person designated by a majority of the Comcast Directors remaining on the Board of Directors (such person, a "Replacement Comcast Director"); provided that at all times one of the Comcast Directors must be an Independent Person, (ii) an AT&T Director which becomes vacant is filled promptly by a person designated by a majority of the AT&T Directors remaining on the Board of Directors (such person, a "Replacement AT&T Director") and (iii) an Independent Director which becomes vacant is filled promptly by an Independent Person designated by the Independent Director remaining on the Board of Directors or, if at such time, there is no Independent Director remaining on the Board of Directors, by the Board of Directors (such person, a "Replacement Independent Director" and, together with any Replacement Comcast Director and any Replacement AT&T Director, a "Replacement Director"); provided that the designation of any Replacement Independent Director by the Independent Director remaining on the Board of Directors shall be subject to the approval of the Board of Directors prior to such person becoming a Replacement Independent Director.

3. Each of the Comcast Directors, AT&T Directors and Independent Directors at the Effective Time, and each Replacement Director elected to the Board of Directors in accordance with this Article SIXTH during the Initial Term, shall hold office until the expiration of the Initial Term and until such Director's successor has been selected and qualified or until such Director's earlier death, resignation or removal.

4. Each of the Comcast Directors, AT&T Directors and Independent Directors immediately after the annual meeting of shareholders of the Corporation in 2004, and each Replacement Director elected to the Board of Directors in accordance with this Article SIXTH during the 2004 Term, shall hold office until the expiration of the 2004 Term and until such Director's successor has been selected and qualified or until such Director's earlier death, resignation or removal.

5. The first (or in the event the Board of Directors calls an annual meeting of shareholders pursuant to the last sentence of this paragraph (B) (5), the second) annual meeting of shareholders of the Corporation after the Effective Time shall occur on such date and at such time in April 2004 as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of April 2004 at 9:00 o'clock a.m., if, in either case, not a holiday on which national banks are or may elect to be closed ("Holiday"), and if such day is a Holiday, then such meeting shall be held on the next business day at such time. The second (or in the event the Board of Directors calls an annual meeting of shareholders pursuant to the last sentence of this paragraph (B) (5), the third) annual meeting of shareholders of the Corporation after the Effective Time shall occur on such date and at such time in April 2005 as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of April 2005 at 9:00 o'clock a.m., if, in either case, not a Holiday, and if such day is a Holiday, then such meeting shall be held on the next business day at such time. The Corporation may, at the election of the Board of Directors, call an annual meeting of shareholders of the Corporation in 2003 for the purpose of conducting such business, other than the election of Directors, as the Board of Directors shall determine.

C. Office of the Chairman

1. At the Effective Time and during the Specified Period, there shall be an Office of the Chairman which shall be comprised of the Chairman and the CEO.

2. The Office of the Chairman shall be the Corporation's principal executive deliberative body with responsibility for corporate strategy, policy and direction, governmental affairs and other matters of significance to the Corporation. The Chairman and the CEO shall advise and consult with each other with respect to each of the foregoing matters.

D. Officers

1. Chairman.

(a) At the Effective Time and during the Specified Period, the Chairman shall be Mr. C. Michael Armstrong if he is willing and available to serve;

provided that from and after April 1, 2004, if the Specified Period has not expired, Mr. C. Michael Armstrong shall be non- executive Chairman for the remainder of the Specified Period. After the Specified Period, the Chairman shall be Mr. Brian L. Roberts if he is willing and available to serve.

(b) The Chairman shall preside at all meetings of the shareholders of the Corporation and of the Board of Directors. In the absence of the Chairman, if the Chairman and the CEO are not the same person, the CEO shall chair such meetings.

(c) The Chairman shall have the authority to call special meetings of the Board of Directors, in the manner provided by the By-Laws of the Corporation.

(d) Removal of the Chairman shall require the affirmative vote of at least 75% of the entire Board of Directors until the earlier to occur of (i) the date on which neither Mr. C. Michael Armstrong nor Mr. Brian L. Roberts is the Chairman and (ii) the sixth anniversary of the expiration of the Initial Term.

2. Chief Executive Officer and President.

(a) At the Effective Time, the CEO shall be Mr. Brian L. Roberts if he is willing and available to serve. For so long as Mr. Brian L. Roberts shall be the CEO, he shall also be the President of the Corporation.

(b) The powers, rights, functions and responsibilities of the CEO shall include, without limitation, the following, subject to the control and direction of the Board of Directors:

(i) the supervision, coordination and management of the Corporation's business, operations, activities, operating expenses and capital allocation;

(ii) matters relating to officers (other than the Chairman) and employees, including, without limitation, hiring, terminating, changing positions and allocating responsibilities of such officers and employees; provided that, if the Chairman and the CEO are not the same person, the CEO shall consult with the Chairman in connection with the foregoing as it relates to the senior executives of the Corporation; provided, further, that following the initial designation of officers by the CEO (in consultation with the Chairman) as provided herein, the election of officers shall be as provided in the By-Laws of the Corporation;

(iii) all of the powers, rights, functions and responsibilities typically exercised by a chief executive officer and president of a corporation; and

(iv) the authority to call special meetings of the Board of Directors, in the manner provided by the By-Laws of the Corporation.

(c) Removal of the CEO shall require the affirmative vote of at least 75% of the entire Board of Directors until the earlier to occur of (i) the date on which Mr. Brian L. Roberts ceases to be the CEO and (ii) the sixth anniversary of the expiration of the Initial Term.

E. Directors Nominating Committee.

1. The Directors Nominating Committee (the "Directors Nominating Committee") shall have the power to nominate individuals for election by the shareholders of the Corporation as Directors at the 2004 annual meeting of shareholders of the Corporation and thereafter. During the Initial Term, the Directors Nominating Committee shall consist of Mr. Brian L. Roberts, if he is the Chairman or the CEO, one (1) Comcast Director who is an Independent Person selected by the Comcast Directors and two (2) Directors who are Independent Persons selected from the AT&T Directors by the AT&T Directors who are Independent Persons and the Independent Directors after consultation with Mr. Brian L. Roberts. During the Initial Term, if Mr. Brian L. Roberts is not the Chairman or the CEO, the Directors Nominating Committee shall consist of two (2) Comcast Directors selected by the Comcast Directors at least one of whom shall be an Independent Person and two (2) Directors who are Independent Persons selected from the AT&T Directors by the AT&T Directors who are Independent Persons and the Independent Directors after consultation with a Comcast Director selected by the two (2) Comcast Directors selected to serve on the Directors Nominating Committee. During the 2004 Term, the Directors Nominating Committee shall consist of Mr. Brian L. Roberts, if he is the Chairman or the CEO, one (1) Comcast Director who is an Independent Person selected by the Comcast Directors and three (3) Directors who are Independent Persons selected from the AT&T Directors and the Independent Directors by the Comcast Directors. During the 2004 Term, if Mr. Brian L. Roberts is not the Chairman or the CEO, the Directors Nominating Committee shall consist of two (2) Comcast Directors selected by

the Comcast Directors at least one of whom shall be an Independent Person and three (3) Independent Persons selected from the AT&T Directors and the Independent Directors by the Comcast Directors.

After the 2004 Term, the Directors Nominating Committee shall consist of Mr. Brian L. Roberts, if he is the Chairman or CEO, and four (4) Directors who are Independent Persons selected by Mr. Brian L. Roberts; provided that no more than one (1) person who was a Comcast Director or a Comcast Independent Designee may be selected by Mr. Brian L. Roberts as a member of the Directors Nominating Committee pursuant to this sentence prior to the seventh anniversary of the date that such Director was initially elected to the Board of Directors. After the 2004 Term, if Mr. Brian L. Roberts is not the Chairman or CEO, the Directors Nominating Committee shall be constituted as determined by the Board of Directors. Notwithstanding the foregoing, if Mr. Brian L. Roberts is the Chairman or CEO but is ineligible to serve on the Directors Nominating Committee at any relevant time under the applicable rules of the principal U.S. securities exchange or quotation system on which the Class A Common Stock is listed and traded, (i) during the Initial Term and the 2004 Term the Directors Nominating Committee shall be composed as it would be composed if Mr. Brian L. Roberts were not the Chairman or CEO at such time (all of the members of which shall be eligible to serve under such rules) and (ii) after the 2004 Term the Directors Nominating Committee shall be composed of five (5) directors (all of whom shall be eligible to serve under such rules and at least four of whom shall be Independent Persons) selected by Mr. Brian L. Roberts; provided that no more than two (2) persons who were Comcast Directors or Comcast Independent Designees may be selected by Mr. Brian L. Roberts as members of the Directors Nominating Committee pursuant to this clause (ii) prior to the seventh anniversary of the date such Director was initially elected to the Board of Directors. At any time that Mr. Brian L. Roberts is a member of the Directors Nominating Committee, he shall be the Chairman of the Directors Nominating Committee. Subject to paragraph (E)(2) of this Article SIXTH, all powers otherwise held by the Board of Directors to nominate individuals for election by the shareholders of the Corporation as Directors shall reside exclusively in the Directors Nominating Committee, no such nominations shall be made by the Board of Directors and all nominations of the Directors Nominating Committee shall be submitted directly to the shareholders of the Corporation without any requirement that such nominations be submitted to the Board of Directors for its approval or ratification.

2. If the Directors Nominating Committee is able to reach agreement on a full slate of nominations for the 2004 annual meeting of shareholders of the Corporation, each of the individuals selected as a nominee who is a Director then in office will maintain the status of a "Comcast Director," "AT&T Director" or "Independent Director," as the case may be, and each of the other individuals, if any, selected as a nominee will have the status determined by the Directors Nominating Committee; provided that five (5) of the nominees have the status of a "Comcast Director," five (5) of the nominees have the status of an "AT&T Director" and two (2) of the nominees have the status of an "Independent Director." If the Directors Nominating Committee is unable to reach agreement on a full slate of nominations for the 2004 annual meeting of shareholders of the Corporation, each of the Directors then in office shall be nominated for election as a Director at the 2004 annual meeting of shareholders of the Corporation and shall maintain the status of a "Comcast Director," "AT&T Director" or "Independent Director," as the case may be. In the event that any of such Directors declines to stand for election as a Director at the 2004 annual meeting of shareholders of the Corporation, a replacement nominee will be selected by (i) if the Director declining to stand for election is a Comcast Director, a majority of the Comcast Directors then in office (other than the Comcast Director declining to stand for election), (ii) if the Director declining to stand for election is an AT&T Director, a majority of the AT&T Directors then in office (other than the AT&T Director declining to stand for election) and (iii) if the Director declining to stand for election is an Independent Director, the other Independent Director then in office, subject to the prior approval of the Board of Directors (other than the Independent Director declining to stand for election); provided that if each of the Independent Directors declines to stand for election as a Director at the 2004 annual meeting of shareholders of the Corporation, replacement nominees will be selected by the Board of Directors (other than the Independent Directors). If a replacement nominee is selected to replace a declining Director pursuant to the preceding sentence, such replacement nominee shall be deemed to have the status of the declining Director as a "Comcast Director," "AT&T Director" or "Independent Director," as the case may be. If a person is elected as a Director at the 2004 annual meeting of shareholders who was not nominated pursuant to the provisions of this paragraph (E), such person will be deemed to have the status of the former Director he or she was elected in lieu of. If multiple persons are elected as Directors at the 2004 annual meeting of shareholders who were not nominated pursuant to the provisions of this paragraph (E) and it is not possible to determine whom they were elected in lieu of, their status as "Comcast Directors," "AT&T

Directors" or "Independent Directors" shall be determined by the entire Board of Directors; provided that there shall be five (5) Comcast Directors, five (5) AT&T Directors and two (2) Independent Directors and the status of the other Directors shall not be affected as a result of such determination.

3. Any action of the Directors Nominating Committee shall require the approval of a majority of the entire Directors Nominating Committee. If any provision of this paragraph (E) provides for a selection or determination to be made by any given group of Directors, such selection or determination shall require the approval of a majority of the Directors in such entire group, and (except as otherwise specifically provided) not the approval of any given subset of such group.

F. Executive Committee. If the Board of Directors decides to establish an Executive Committee, if he is willing and able to serve and for so long as he shall be a member of the Board of Directors, Mr. Ralph J. Roberts shall be the Chairman of the Executive Committee.

G. Amendment. Subject to paragraph (H) of this Article SIXTH, until the earlier to occur of (i) the date on which Mr. Brian L. Roberts is no longer serving as the Chairman or the CEO and (ii) the sixth anniversary of the expiration of the Initial Term, the provisions of this Article SIXTH and the provisions of Article 9 of the By-Laws may not be amended, altered, repealed or waived in any respect without the prior approval of at least 75% of the entire Board of Directors.

H. Termination. If Mr. Brian L. Roberts is no longer serving as the Chairman or the CEO, the provisions of this Article SIXTH (other than paragraphs (A) and (E) and the last sentence of paragraph (B)(1), in each case of this Article SIXTH) shall terminate automatically without any further action of the Board of Directors or the shareholders of the Corporation; provided that notwithstanding the foregoing, in the event that Mr. Brian L. Roberts ceases to serve as the Chairman or the CEO prior to the 2005 annual meeting of shareholders of the Corporation, the provisions of paragraphs (A), (B), (C), (D)(1)(a)-(c) and (E) of this Article SIXTH shall survive through the close of such annual meeting.

SEVENTH: In addition to any other approval required by law or by these Articles of Incorporation, and notwithstanding any provision of Article FIFTH, the approval of the holders of Class B Common Stock, voting separately as a class, shall be necessary to approve (i) any merger or consolidation of the Corporation with another entity or any other transaction, in each case that requires the approval of the shareholders of the Corporation pursuant to the law of the Commonwealth of Pennsylvania or other applicable law, or any other transaction that would result in any person or group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) owning shares representing in excess of 10% of the combined voting power of the resulting or surviving corporation, or any issuance of securities (other than pursuant to director or officer stock option or purchase plans) requiring shareholder approval under the applicable rules and regulations of any stock exchange or quotation system, (ii) any issuance of shares of Class B Common Stock or any securities exercisable or exchangeable for or convertible into shares of Class B Common Stock or (iii) any amendment to these Articles of Incorporation (including, without limitation, any amendment to elect to have any of Subchapters E, F, G, H, I and J or Section 2538 of Subchapter D, in each case of Chapter 25 of the Business Corporation Law of 1988, be applicable to the Corporation or any amendment to this Article SEVENTH) or the By-Laws of the Corporation or any other action (including, without limitation, the adoption, amendment or redemption of a shareholder rights plan) that would, in any such case, limit the rights of the holders of Class B Common Stock or any subsequent transferee of Class B Common Stock to transfer, vote or otherwise exercise rights with respect to capital stock of the Corporation. In addition to any other approval required by law or by these Articles of Incorporation, and notwithstanding any provision of Article FIFTH, the approval of the holder of any class or series of shares of the Corporation shall be necessary to approve any amendment to these Articles of Incorporation which would make any change in the preferences, limitations or rights of the shares of such class or series adverse to such class or series.

EIGHTH: Special meetings of shareholders may be called only by the Board of Directors and may not be called by shareholders of the Corporation.

NINTH: The shareholders of the Corporation shall not be permitted to act by written consent in lieu of a meeting; provided that notwithstanding the foregoing, the holders of a majority of the Class B Common Stock shall be permitted to act by written consent in lieu of a meeting in the exercise of their approval rights under Article SEVENTH.

TENTH: The Board of Directors shall have the power to amend the By-Laws to the extent provided therein, subject only to applicable law. Any amendment to the By-Laws approved by the shareholders of the Corporation shall not be deemed to have been adopted by the Corporation unless it has been previously approved by the Board of Directors.

ELEVENTH: No person who is or was a Director shall be personally liable, as such, for monetary damages (other than under criminal statutes and under federal, state and local laws imposing liability on directors for the payment of taxes) unless the person's conduct constitutes self-dealing, willful misconduct or recklessness. No amendment or repeal of this Article ELEVENTH shall apply to or have any effect on the liability or alleged liability of any person who is or

was a Director for or with respect to any acts or omissions of the Director occurring prior to the effective date of such amendment or repeal. If the Business Corporation Law of 1988 is amended to permit a Pennsylvania corporation to provide greater protection from personal liability for its directors than the express terms of this Article ELEVENTH, this Article ELEVENTH shall be construed to provide for such greater protection.

TWELFTH: No person who is or was an officer of the Corporation shall be personally liable, as such, for monetary damages (other than under criminal statutes and under federal, state and local laws imposing liability on directors for the payment of taxes)

unless the person's conduct constitutes self-dealing, willful misconduct or recklessness. No amendment or repeal of this Article TWELFTH shall apply to or have any effect on the liability or alleged liability of any person who is or was an officer of the Corporation for or with respect to any acts or omissions of the officer occurring prior to the effective date of such amendment or repeal. If the Business Corporation Law of 1988 is amended to permit a Pennsylvania corporation to provide greater protection from personal liability for its officers than the express terms of this Article TWELFTH, this Article TWELFTH shall be construed to provide for such greater protection.

THIRTEENTH: Any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

FOURTEENTH: Subchapters E, F, G, H, I and J and Section 2538 of Subchapter D, in each case of Chapter 25 of the Business Corporation Law of 1988, shall not be applicable to the Corporation.

FIFTEENTH: Henceforth, these Articles supersede the original Articles and all amendments filed thereto.

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

AT&T Corp.

and

AT&T Broadband Corp.

dated as of

December 19, 2001

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SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT, dated as of December 19, 2001, is by and between AT&T Corp., a New York corporation ("AT&T"), and AT&T Broadband Corp., a Delaware corporation ("AT&T Broadband"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article 1.

WHEREAS, the Board of Directors of AT&T has determined that it is in the best interests of AT&T and its shareholders to separate AT&T's communications and broadband businesses into independent businesses and to subsequently merge AT&T Broadband with a wholly owned subsidiary of AT&T Comcast Corporation, a Pennsylvania corporation, pursuant to the Merger Agreement (as defined below);

WHEREAS, in furtherance of the foregoing, upon the terms and subject to the conditions set forth in this Agreement, AT&T will transfer the AT&T Broadband Assets to AT&T Broadband and its Subsidiaries and cause AT&T Broadband and its Subsidiaries to assume the AT&T Broadband Liabilities, all as more fully described in this Agreement and the other Ancillary Agreements;

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, following the Separation, AT&T will distribute all of the AT&T Broadband Common Stock to shareholders of AT&T and, if the QUIPS Exchange is completed (as defined below), to Microsoft Corporation, a Washington corporation, or an affiliate thereof ("Microsoft"), all as more fully described in this Agreement;

WHEREAS, for federal income tax purposes, it is intended that the Separation and Distribution constitute a tax-free reorganization under the Code; and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of AT&T and AT&T Broadband and their respective Subsidiaries following the Distribution.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.01. Definitions. For the purpose of this Agreement the following terms shall have the following meanings:

"Action" means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Additional Commercial Agreements" has the meaning set forth in the definition of Ancillary Agreements.

"Affiliate" of any Person means a Person that controls, is controlled by, or is under common control with such Person; provided, however, that for purposes of this Agreement, no member of either the AT&T Broadband Group or the AT&T Communications Group shall be deemed to be an Affiliate of any member of the other Group and no employee plan or employee plan trust shall be deemed an Affiliate of any employer or of any Affiliate of any employer. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

"Agent" means the distribution agent to be appointed by AT&T to distribute to shareholders of AT&T the shares of AT&T Broadband Common Stock pursuant to the Distribution.

"Agreement" means this Separation and Distribution Agreement, including all of the Schedules and Exhibits hereto, as amended from time to time.

"American Ridge" means American Ridge Insurance Company, a Vermont corporation.

"Ancillary Agreements" means (i) this Agreement, the Corporate Name Agreement, the Tax Sharing Agreement, the Employee Benefits Agreement, the Intellectual Property Agreement, the Patent Assignment, the Trademark and Service Mark Assignment (the agreements referred to in this clause (i), the "Primary Transaction Agreements"); (ii) those agreements and documents (other than any Primary Transaction Agreements) listed in Items 1-23 on Schedule 2.4(b)(ii)(A) (as such schedule existed on December 19, 2001) (the agreements referred to in this clause (ii), as they may be amended as provided in Schedule 2.4(b)(ii)(B) (as such schedule existed on December 19, 2001), the "Primary Commercial Agreements"; (iii) any agreement, commitment or understanding that any of the Primary Commercial Agreements (as that term was defined on December 19, 2001) contemplates will be entered into or made after the date hereof; provided that the relevant Primary Commercial Agreement specifically sets forth all material terms of such agreement, commitment or understanding (the agreements, commitments and understandings referred to in this clause (iii) are referred to herein as the "Additional Commercial Agreements"); and (iv) those agreements and documents listed in Items 9 through 47 on Schedule 2.4(b)(ii) (as such schedule exists as of November 18, 2002).

"Applicable Deadline" has the meaning set forth in Section 10.03.

"Arbitration Demand Notice" has the meaning set forth in Section 10.03.

"Arbitration Panel" has the meaning set forth in Section 10.05.

"Assets" means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including easements and rights of way, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, and copies of all related documentation;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments;

(g) all deposits, letters of credit and performance and surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(i) all domestic and foreign patents, copyrights, trade names, trademarks, service marks and registrations and applications for any of the foregoing, mask works, trade secrets, inventions, other proprietary information and licenses from third Persons granting the right to use any of the foregoing;

(j) all computer applications, programs and other software, including operating software, network software, firmware, middleware, design

software, design tools, systems documentation and instructions;

(k) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, records

pertaining to customers and customer accounts, customer and vendor data, correspondence and lists, product literature, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(l) all prepaid expenses, trade accounts and other accounts and notes receivable;

(m) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choices in action or similar rights, whether accrued or contingent;

(n) all insurance proceeds and rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(o) all licenses (including radio and similar licenses), permits, approvals and authorizations that have been issued by any Governmental Authority;

(p) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements;

(q) copies of all documentation related to Insurance Policies; and

(r) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"AT&T" has the meaning set forth in the Preamble.

"AT&T Broadband" has the meaning set forth in the Preamble.

"AT&T Broadband Action" has the meaning set forth in Section 6.02(d).

"AT&T Broadband Assets" means:

(a) except as set forth on Schedule 1.14(a), any Assets reflected in the AT&T Broadband Balance Sheet, unless disposed of to third parties after the date thereof (and, in the case of any such Assets disposed of after the date thereof, the proceeds from such disposal);

(b) any Assets acquired after the date of the AT&T Broadband Balance Sheet by AT&T or any of its Subsidiaries utilizing AT&T Broadband Assets;

(c) any AT&T Broadband Contracts;

(d) any capital stock or other ownership interests in AT&T Broadband Entities;

(e) AT&T's interest in Western Range;

(f) any AT&T Broadband Real Property;

(g) any Assets that are expressly contemplated by this Agreement or any other Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by or assigned to any member of the AT&T Broadband Group;

(h) any governmental licenses, permits, franchises, approvals, certificates and other governmental authorizations held in the name of AT&T or any of its Subsidiaries that are primarily related to the AT&T Broadband Business (to the extent any of the foregoing would be required to be transferred pursuant hereto, such items will be AT&T Broadband Assets only to the extent they are transferable upon the receipt of any relevant Consent), except for any intrastate telephony licenses, permits, franchises, approvals, certificates or other governmental authorizations that are used in the AT&T Communications Business;

(i) the Assets of T-Holdings, UCT Video, UAI and their respective Subsidiaries to be purchased by AT&T Broadband pursuant to Sections 2.01(f), (g) and (h), respectively;

(j) any Assets underlying any of the monetizations that are AT&T Broadband Liabilities;

(k) any Assets listed or described on Schedule 1.14(k); and

(l) any Assets that are not AT&T Communications Assets specified in clauses (a) through (k) of the definition of AT&T Communications Assets and that are used or held for use primarily in connection with the AT&T Broadband Business (it being agreed that (i) any Assets owned by AT&T or any of its controlled Affiliates immediately prior to March 9, 1999 shall be deemed primarily used or held for use in connection with the AT&T Communications Business and (ii) Assets that were paid for, built or otherwise directly or indirectly acquired for consideration (as reflected in current and historic financial records, including subsidiary ledgers, journals and other financial books and records) by a Group shall be deemed to be primarily used or held for use by the Group that most recently so paid for or so built or acquired them).

AT&T Broadband Assets shall not in any event include any (i) Assets reflected on the AT&T Communications Balance Sheet, except for those Assets specified in clauses (b), (d), (e), (f), (g), (i), (j) and (k) of the definition of AT&T Broadband Assets or (ii) Assets that as of the Distribution Date are Leased Assets (as defined in the Local Network Connectivity Services Agreement).

Subject to the foregoing sentence, in the event that any Asset is included in both the definition of "AT&T Broadband Asset" and "AT&T Communications Asset" then (i) if it is specifically referred to in a definition or schedule or otherwise (including in any of the Ancillary Agreements), it shall be treated in accordance with such specific reference and (ii) otherwise it shall be treated as an AT&T Broadband Asset or AT&T Communications Asset based upon whether it is used or held for use primarily in connection with the AT&T Broadband Business or primarily in connection with the AT&T Communications Business; provided that for purposes hereof Assets that were paid for, built or otherwise directly or indirectly acquired for consideration (as reflected in current and historic financial records, including subsidiary ledgers, journals and other financial books and records) by a Group shall be deemed to be primarily used or held for use by the Group that most recently so paid for or so built or acquired them.

"AT&T Broadband Balance Sheet" means the balance sheet dated as of December 31, 2000 included in the AT&T Broadband Financial Statements.

"AT&T Broadband Business" means the business of the AT&T Broadband Group.

"AT&T Broadband Class A Common Stock" has the meaning set forth in the Merger Agreement.

"AT&T Broadband Common Stock" means the common stock, par value \$0.0000000125 per share, of AT&T Broadband.

"AT&T Broadband Contracts" means the following contracts and agreements to which AT&T or any of its Subsidiaries is a party or by which it or any of its Subsidiaries or any of their respective Assets is bound, whether or not in writing, except for any such contract or agreement that is expressly contemplated to be assigned to or retained by AT&T or any member of the AT&T Communications Group pursuant to any provision of this Agreement or any other Ancillary Agreement:

(a) any contract or agreement entered into in the name of, or expressly on behalf of, any AT&T Broadband Entity, except to the extent clearly relating to the AT&T Communications Group and except for any At Home Contract;

(b) any contract or agreement that relates primarily to the AT&T Broadband Business other than any At Home Contract;

(c) any rights and obligations of the AT&T Broadband Group under any At Home Contract;

(d) any note, indenture, contract, agreement, mortgage or other instrument representing Indebtedness or other Liabilities that are in either such case AT&T Broadband Liabilities;

(e) any contract or agreement that is expressly contemplated pursuant to this Agreement or any of the other Ancillary Agreements to be assigned or transferred to or retained by AT&T Broadband or any member of the AT&T Broadband Group;

(f) any guarantee, indemnity, representation, warranty or other Liability of any member of the AT&T Communications Group in respect of any other AT&T Broadband Contract, any AT&T Broadband Liability or the AT&T Broadband Business;

(g) any contract or agreement listed or described on Schedule 1.18(g), including in the case of commitment or similar contracts

or agreements, contracts or agreements to the extent indicated on such Schedule;

(h) any letter of credit, surety bond, swap, foreign exchange or other instrument or contract primarily relating to the AT&T Broadband Group, together with any letters of credit, surety bonds, swaps, foreign exchange or other such instruments or contracts that were entered into in connection with Indebtedness of the AT&T Broadband Group;

(i) all monetizations listed or described on Schedule 1.18(i); and

(j) the ISDA Master Agreement, dated as of April 14, 1999, between AT&T, AT&T Communications Services International Inc. ("ACSI") and UBS AG ("UBS") (as successor by merger to Swiss Bank Corporation, London Branch) (the "Master Agreement"), the related Confirmations attached as Schedule 1 to the Assignment and Assumption Agreement to be dated as of November 18, 2002 (the "Assignment Agreement") among AT&T, ACSI and AT&T Broadband, the Guaranty Agreement, dated as of April 14, 1999, delivered by AT&T pursuant to the Master Agreement (the "Guaranty," and, together with the Master Agreement, the Confirmations and the Guaranty, in each case as amended from time to time), it being understood that the Master Agreement and the Guaranty are AT&T Broadband Contracts only to the extent relating to the Confirmations so attached as Schedule 1 notwithstanding anything to the contrary in the Assignment Agreement or any other related agreement.

With respect to any contract or agreement that relates in material part to both the AT&T Broadband Group and the AT&T Communications Group, the parties will cooperate in good faith to apportion the rights and obligations thereunder to the AT&T Broadband Group and the AT&T Communications Group, and to treat such contract or agreement as an AT&T Broadband Contract to the extent relating to the AT&T Broadband Group and an AT&T Communications Contract to the extent relating to the AT&T Communications Group.

"AT&T Broadband Entities" means AT&T Broadband and each of the AT&T Broadband Subsidiaries.

"AT&T Broadband Financial Statements" has the meaning set forth in the Merger Agreement.

"AT&T Broadband Group" means the direct or indirect interest of AT&T (either itself or through direct or indirect Subsidiaries, or any of their predecessors or successors) in (a) all of the businesses, Assets and Liabilities reflected in the AT&T Broadband Financial Statements; (b) the other Assets and Liabilities (contingent or otherwise) of AT&T and its Subsidiaries primarily related to businesses, assets and liabilities described in clause (a) and all net income, net losses, Assets and Liabilities arising in respect thereof after the date of the AT&T Broadband Financial Statements; (c) all Assets, Liabilities and businesses acquired after the date of the AT&T Broadband Financial Statements by the AT&T Broadband Group or utilizing cash or other Assets referred to in clauses (a) or (b); and (d) any business or operations that were terminated, divested or discontinued by any AT&T Broadband Entity, including US West, Inc. and its Subsidiaries (and their respective predecessors and successors), or that are listed or described on Schedule 1.21(d); and (e) the businesses, Assets and Liabilities listed or described on Schedule 1.21(e); provided that the AT&T Broadband Group shall not include (x) any Assets disposed of to any third party or otherwise transferred to any third party from the AT&T Broadband Group after the date of the AT&T Broadband Financial Statements (but it shall include any net proceeds thereof) or (y) any businesses, Liabilities or Assets of, or the capital stock or other ownership interests in, T-Holdings, UCT Video, UAI and their respective Subsidiaries, other than the Assets purchased or transferred pursuant to Sections 2.01(f), (g) and (h) and any Liabilities of T-Holdings, UCT Video, UAI and their respective Subsidiaries as of the Distribution Date. Notwithstanding the foregoing, when this Agreement refers to "a member of the AT&T Broadband Group" or similar language clearly referring to a Person, it means any one of the AT&T Broadband Entities.

"AT&T Broadband Indemnities" has the meaning set forth in Section 5.02.

"AT&T Broadband Liabilities" means:

(a) any Liabilities reflected on the AT&T Broadband Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the AT&T Broadband Balance Sheet;

(b) any Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement (or the Schedules hereto or thereto) as

Liabilities to be retained or assumed by AT&T Broadband or any other member of the AT&T Broadband Group, subject to discharge of such Liabilities subsequent to the date of the AT&T Broadband Balance Sheet, and all agreements, obligations and Liabilities of any member of the AT&T Broadband Group under this Agreement or any of the other Ancillary Agreements;

(c) any Liabilities of any AT&T Broadband Entity and any Liabilities as of the Distribution Date of T-Holdings, UCT Video, UAI or any of their respective Subsidiaries;

(d) any Liabilities relating to, arising out of or resulting from any AT&T Broadband Contract, excluding, for the avoidance of doubt, any Liabilities of any member of the AT&T Communications Group as a party (for the benefit of the AT&T Communications Group) under any At Home Contract;

(e) any Liabilities incurred after the date of the AT&T Broadband Balance Sheet by any AT&T Broadband Entity;

(f) except to the extent arising from any breach by any member of the AT&T Communications Group after the Distribution Date of any covenant or agreement entered into in connection with the separation, divestiture or termination of LMC and its Subsidiaries, or as otherwise expressly contemplated by any other Ancillary Agreement, any Liabilities to the extent arising out of, relating to or resulting from LMC and its Subsidiaries, any commercial or other agreements or arrangements primarily relating to the AT&T Broadband Group and involving LMC or any of its Subsidiaries or the ownership of any securities of any such entity;

(g) (i) any Liabilities relating to, arising out of, or resulting from any Actions primarily related to, arising out of or resulting from the AT&T Broadband Business, including those listed or described on Schedule 1.23(g), (ii) 50% of the excess of any Liability related to, arising out of or resulting from any Specified Matter (including any legal or other fees incurred as a result of, or with respect to, any Specified Matter) over any amount AT&T receives from AWS in respect thereof, (iii) 50% of any Liability related to, arising out of or resulting from any At Home Matter (including any legal or other fees incurred as a result of, or with respect to, any At Home Matter) and (iv) 50% of any Liability related to, arising out of or resulting from the Separation or the Distribution or any proposed transaction involving AT&T Broadband following the Distribution (including any legal or other fees incurred as a result of, or with respect to, any such Liability and including any Liability AT&T may have under Section 910 of the NYBCL in connection with the Distribution) (the transactions specified in clause (iv), the "Specified Transactions");

(h) any Liabilities, including any employee-related Liabilities and Environmental Liabilities, primarily relating to, arising out of or resulting from:

(i) the AT&T Broadband Group, including the operation of the AT&T Broadband Business, as conducted at any time prior to, on or after the Distribution Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(ii) the operation of any business conducted by any member of the AT&T Broadband Group at any time after the Distribution Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority)); or

(iii) any AT&T Broadband Assets (including any AT&T Broadband Contracts and any AT&T Broadband Real Property);

in any such case whether arising before, on or after the Distribution Date.

(i) any of the monetizations set forth on Schedule 1.23(i);

(j) any Liabilities listed or described on Schedule 1.23(j); and

(k) any Liability arising from or relating to any terminated, divested or discontinued business (or the termination, divestiture or discontinuation thereof) of the AT&T Broadband Group.

In the event that any Liability is included in both the definition of "AT&T Broadband Liability" and "AT&T Communications Liability" then (i) if it is specifically referred to in a definition or schedule or otherwise (including in any of the Ancillary Agreements), it shall be treated in accordance with such specific reference and (ii) otherwise it shall be treated as an AT&T Broadband Liability or AT&T Communications Liability to the extent it relates to the AT&T Broadband Business or the AT&T Communications Business, respectively.

"AT&T Broadband Material Adverse Effect" has the meaning set forth in the Merger Agreement.

"AT&T Broadband Merger" has the meaning set forth in the Merger Agreement.

"AT&T Broadband Real Property" means all right, title and interest in real property, wherever located, held in the name of AT&T Broadband or any AT&T Broadband Entity; provided that AT&T Broadband Real Property does not include rights, title or interests (whether fee, leasehold or otherwise) in any AT&T Communications Real Property.

"AT&T Broadband Subsidiaries" means those entities set forth on Schedule 1.19 and their respective Subsidiaries but excluding T-Holdings, UCT Video and their respective Subsidiaries.

"AT&T Broadband's Share" has the meaning set forth in Section 6.04(b).

"AT&T Common Stock" means the common stock, par value \$1.00 per share, of AT&T.

"AT&T Communications Action" has the meaning set forth in Section 6.02(d).

"AT&T Communications Assets" means:

(a) any Assets reflected in the AT&T Communications Balance Sheet, unless disposed of to third parties after the date thereof (and, in the case of any such Assets disposed of after the date thereof, the proceeds from such disposal);

(b) any Assets acquired after the date of the AT&T Communications Balance Sheet by AT&T or any of its Subsidiaries utilizing AT&T Communications Assets;

(c) any AT&T Communications Contracts;

(d) any capital stock or other ownership interests in any member of the AT&T Communications Group (other than AT&T) (unless disposed of after the date thereof);

(e) AT&T's interest in Concert and American Ridge;

(f) any AT&T Communications Real Property;

(g) any Assets that are expressly contemplated by this Agreement or any other Ancillary Agreement (or any Schedule hereto or thereto) to be retained by or assigned to AT&T or any other member of the AT&T Communications Group;

(h) (i) any governmental licenses, permits, franchises, approvals, certificates, consents and other governmental authorizations held in the name of AT&T or any of its Subsidiaries that are primarily related to the AT&T Communications Business and (ii) any intrastate telephony licenses, permits, franchises, approvals, certificates or other governmental authorizations that are used in the AT&T Communications Business (in the case of (i) or (ii), to the extent any of the foregoing would be required to be transferred pursuant hereto, such items will be AT&T Communications Assets only to the extent they are transferable upon receipt of any relevant Consent);

(i) AT&T's shares of AWS;

(j) any Assets listed or described on Schedule 1.28(j);

(k) any Assets that as of the Distribution Date are Leased Assets (as defined in the Local Network Connectivity Services Agreement); and

(l) any Assets that are not AT&T Broadband Assets specified in clauses (a) through (k) of the definition of AT&T Broadband Assets and that are used or held for use primarily in connection with the AT&T Communications Business (it being agreed that (i) any Assets owned by AT&T or any of its controlled Affiliates immediately prior to March 9, 1999 shall be deemed primarily used or held for use in connection with the AT&T Communications Business and (ii) Assets that were paid for, built or otherwise directly or indirectly acquired for consideration (as reflected in current and historic financial records, including subsidiary ledgers, journals and other financial books and records) by a Group shall be deemed to be primarily used or held for use by the Group that

most recently so paid for or so built or acquired them).

AT&T Communications Assets shall not in any event include any Assets reflected on the AT&T Broadband Balance Sheet, except for those Assets specified in clauses (b), (d), (e), (f), (g), (i), (j) and (k) of the definition of AT&T Communications Assets.

Subject to the foregoing sentence, in the event that any Asset is included in both the definition of "AT&T Broadband Asset" and "AT&T Communications Asset" then (i) if it is specifically referred to in a definition or schedule or otherwise (including in any of the Ancillary Agreements), it shall be treated in accordance with such specific reference and (ii) otherwise it shall be treated as an AT&T Broadband Asset or AT&T Communications Asset based upon whether it is used or held for use primarily in connection with the AT&T Broadband Business or primarily in connection with the AT&T Communications Business; provided that for purposes hereof Assets that were paid for, built or otherwise directly or indirectly, acquired for consideration (as reflected in current and historic financial records, including subsidiary ledgers, journals and other financial books and records) by a Group shall be deemed to be primarily used or held for use by the Group that most recently so paid for or so built or acquired them.

"AT&T Communications Balance Sheet" means the consolidated balance sheet dated as of December 31, 2000 included within the AT&T Communications Financial Statements.

"AT&T Communications Business" means the business of the AT&T Communications Group.

"AT&T Communications Contracts" means any contract or agreements to which AT&T or any of its Subsidiaries is a party or by which it or any of its Subsidiaries or any of their respective Assets is bound, whether or not in writing, except for any AT&T Broadband Contract, including (a) any contract or agreement listed on Schedule 1.31(a), (b) any rights and obligations of any member of the AT&T Communications Group as a party (for the benefit of the AT&T Communications Group) under any At Home Contract, (c) any letter of credit, surety bond, swap, foreign exchange or other instrument or contract not primarily relating to the AT&T Broadband Group, together with any letters of credit, surety bonds, swaps, foreign exchange or other such instruments or contracts that were entered into in connection with Indebtedness of the AT&T Communications Services Group, (d) any note, indenture, contract, agreement, mortgage or other instrument representing Indebtedness or other Liabilities that are in either such case AT&T Communications Liabilities, (e) any contract or agreement that is expressly contemplated pursuant to this Agreement or any of the other Ancillary Agreements to be assigned or transferred to or retained by AT&T or any other member of the AT&T Communications Group, (f) any guarantee, indemnity, representation, warranty or other Liability of any member of the AT&T Broadband Group in respect of any other AT&T Communications Contract, any AT&T Communications Liability or the AT&T Communications Business, and (g) any contract or agreement entered into in the name of, or expressly on behalf of, any member of the AT&T Communications Group (other than AT&T), except to the extent clearly relating to the AT&T Broadband Group. With respect to any contract or agreement that relates in material part to both the AT&T Broadband Group and the AT&T Communications Group, the parties will cooperate in good faith to apportion the rights and obligations thereunder to the AT&T Broadband Group and the AT&T Communications Group, and to treat such contract or agreement as an AT&T Broadband Contract to the extent relating to the AT&T Broadband Group and an AT&T Communications Contract to the extent relating to the AT&T Communications Group.

"AT&T Communications Financial Statements" means the consolidated balance sheets, income statements, statements of cash flow and other financial statements of AT&T Communications as of and for the period ending December 31, 2000, attached hereto as Exhibit A.

"AT&T Communications Group" means the direct or indirect interest of AT&T (either itself or through direct or indirect subsidiaries, or any of their predecessors or successors) in (a) all businesses (including terminated, divested or discontinued businesses and operations), Assets and Liabilities (contingent or otherwise), other than the AT&T Broadband Group, and (b) any terminated, divested or discontinued businesses not specified in the definition (or related schedules) of AT&T Broadband Group. Notwithstanding the foregoing, when this Agreement refers to "a member of the AT&T Communications Group" or similar language clearly referring to a Person, it means any one of AT&T or its Subsidiaries other than the AT&T Broadband Entities.

"AT&T Communications Liabilities" means (without duplication):

(a) any Liabilities reflected on the AT&T Communications Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the AT&T Communications Balance Sheet;

(b) any Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be retained or assumed by AT&T or any member of the AT&T Communications Group, subject

to discharge of such Liabilities subsequent to the date of the AT&T Communications Balance Sheet, and all agreements, obligations and Liabilities of any member of the AT&T Communications Group under this Agreement or any of the other Ancillary Agreements;

(c) any Liabilities of any member of the AT&T Communications Group (other than AT&T), excluding, for the avoidance of doubt, any Liabilities as of the Distribution Date of T-Holdings, UCT Video, UAI or any of their respective Subsidiaries and including, for the avoidance of doubt, any Liabilities of T-Holdings, UCT Video, UAI or any of their respective Subsidiaries arising after the Distribution Date;

(d) any Liabilities relating to, arising out of or resulting from any AT&T Communications Contract, excluding, for the avoidance of doubt, any Liabilities under any At Home Contract except for Liabilities of any member of the AT&T Communications Group as a party (for the benefit of the AT&T Communications Group) under any At Home Contract;

(e) any Liabilities incurred after the date of the AT&T Communications Balance Sheet by any member of the AT&T Communications Group;

(f) any Liabilities relating to, arising out of or resulting from any Actions except (i) those primarily related to, arising out of or resulting from the AT&T Broadband Business (including those listed on Schedule 1.23(g)) or as expressly set forth herein, (ii) 50% of the excess of any Liability related to, arising out of or resulting from any Specified Matter (including any legal or other fees incurred as a result of, or with respect to, any Specified Matter) over any amount AT&T receives from AWS in respect thereof, (iii) 50% of any Liability related to, arising out of or resulting from any At Home Matter (including any legal or other fees incurred as a result of, or with respect to, any At Home Matter) and (iv) 50% of any Liability related to, arising out of or resulting from the Specified Transactions (including any legal or other fees incurred as a result of, or with respect to, any such Liability and including any Liability AT&T may have under Section 910 of the NYBCL in connection with the Distribution);

(g) any Liabilities, including any employee-related Liabilities and Environmental Liabilities, primarily relating to, arising out of or resulting from:

(i) the AT&T Communications Group, including the operation of the AT&T Communications Business, as conducted at any time prior to, on or after the Distribution Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(ii) the operation of any business conducted by any member of the AT&T Communications Group at any time after the Distribution Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority)); or

(iii) any AT&T Communications Assets (including any AT&T Communications Contracts, any AT&T Communications Real Property and any Leased Assets (except with respect to any Liabilities of the lessees under the applicable leases));

in any such case whether arising before, on or after the Distribution Date;

(h) any Liability arising from or relating to any terminated, divested or discontinued business (or the termination, divestiture or discontinuation thereof) of the AT&T Communications Group;

(i) any Liability arising from any breach by any member of the AT&T Communications Group after the Distribution Date of any covenant or agreement entered into in connection with the separation, divestiture or termination of LMC and its Subsidiaries; and

(j) any other direct or indirect Liabilities of AT&T or any of its Subsidiaries that do not otherwise constitute AT&T Broadband Liabilities.

In the event that any Liability is included in both the definition of "AT&T Broadband Liability" and "AT&T Communications Liability" then (i) if it is specifically referred to in a definition or schedule or otherwise (including in any of the Ancillary Agreements), it shall be treated in accordance with

such specific reference and (ii) otherwise it shall be treated as an AT&T Broadband Liability or AT&T Communications Liability to the extent it relates to the AT&T Broadband Business or the AT&T

Communications Business, respectively.

"AT&T Communications Real Property" means all right, title and interest in real property, wherever located, of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity), including: (a) all land (the "Land") owned by AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity), including all buildings, structures and other improvements now or hereafter located thereon (the "Owned Real Property"), (b) all real property leased, subleased or otherwise occupied by AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) (the "Leased Real Property" and together with the Owned Real Property, the "Real Property"), (c) all easements, licenses, permits, rights of way, reservations, privileges and other estates and rights of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) either in gross or appurtenant pertaining to such Real Property or to any other real property, (d) all right, title and interest of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) in and to all strips and gores, all alleys adjoining land, and the land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land to the center line thereof, and all right, title and interest of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) in and to any award made or to be made in lieu thereof and in and to any unpaid award for any taking by condemnation or any damages to the Owned Real Property by reason of any change of grade of any street, road or avenue, (e) all right, title and interest of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) in and to the airspace above the Owned Real Property (and the rights to use such airspace) and any transferable development or similar rights appurtenant to the Owned Real Property by allocation under applicable laws, by zoning lot merger or otherwise and (f) all rights, licenses, easements, leases, indefeasible rights of use, title, attachment rights, authorizations and other rights pertaining to poles, conduits and cable held by AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity).

"AT&T Communications' Share" has the meaning set forth in Section 6.04(b).

"AT&T Indemnitees" has the meaning set forth in Section 5.03.

"AT&T Material Adverse Effect" means a material adverse effect on the financial condition, assets or results of operations of the AT&T Communications Group, taken as a whole, excluding any such effect resulting from or arising in connection with (i) changes or conditions generally affecting the industries in which the AT&T Communications Group operates, (ii) changes in general economic, regulatory or political conditions, or (iii) the announcement of this Agreement or of the transactions contemplated hereby.

"AT&T Meeting" has the meaning set forth in Section 4.02(a).

"AT&T Subsidiary Preferred Stock" has the meaning set forth in the Merger Agreement.

"At Home" means At Home Corporation, a Delaware corporation and/or its bankruptcy estate, as applicable.

"At Home Contracts" means any contracts or agreements between At Home or any of its Subsidiaries, on the one hand, and any member of the AT&T Communications Group (for the benefit of the AT&T Communications Group), on the other hand.

"At Home Matters" means (i) the currently pending lawsuits styled Linda Ward, Brian Lewis and Donnie Doby, Jr. v. At Home Corporation, et al. (Case No. 418233, Superior Court of California, San Mateo County), and In re: At Home Corporation Stockholders' Litigation (Master File No. 413094, Superior Court of California, San Mateo County), and any other shareholder claims or lawsuits or claims or lawsuits by At Home alleging any breach of fiduciary or contractual duties by AT&T or any of its Affiliates relating to At Home or its Subsidiaries prior to the Effective Time, including any such claim or lawsuit against any officers, directors or employees of AT&T or any of its Subsidiaries whether in their capacity as a director, officer or employee of At Home or its Subsidiaries or otherwise, and (ii) any claims or lawsuits by At Home, creditors of At Home or its Subsidiaries, either previously or subsequently filed, concerning activities prior to the Effective Time, including any lawsuit or claim asserting that AT&T or any of its Subsidiaries (other than At Home or its Subsidiaries) breached contractual or fiduciary obligations to At Home or its Subsidiaries, received a fraudulent conveyance from At Home or its Subsidiaries, or is liable for any Liability of At Home or any of its Subsidiaries, and including any such claim or lawsuit against any officers, directors or employees of AT&T or any of its Subsidiaries whether in their capacity as a director, officer or employee of At Home or its Subsidiaries or

otherwise.

"AWS" means AT&T Wireless Services, Inc., a Delaware corporation.

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

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

"Comcast" means Comcast Corporation, a Pennsylvania corporation.

"Commission" means the Securities and Exchange Commission.

"Communications Subsidiary Preferred Stock Exchange" has the meaning set forth in Section 4.01(e).

"Concert" means Concert B.V.

"Consents" means any consents, waivers or approvals from, or notification requirements to, any third parties, other than Governmental Approvals.

"CPR" means the Center for Public Resources.

"Corporate Name Agreement" means the Corporate Name Agreement by and between AT&T and AT&T Comcast Corporation, in the form attached hereto as Exhibit B, as amended from time to time.

"Delayed Transfer Assets" means any Assets that this Agreement or any other Ancillary Agreement provides or contemplates are to be transferred after the Distribution Date, including Assets that require a Consent or Governmental Approval to transfer, which Consent or Governmental Approval is not obtained on or prior to the Distribution Date.

"Delayed Transfer Liabilities" means any Liabilities that are expressly provided in this Agreement to be assumed after the Distribution Date upon the removal of legal impediments or the receipt of Consents or Governmental Approvals necessary for the transfer of such Liabilities.

"Dispute Date" has the meaning set forth in Section 6.03(c).

"Distribution" means the distribution by AT&T to the holders of AT&T Common Stock and, if the QUIPS Exchange is completed, to the holders of the QUIPS of all of the outstanding shares of AT&T Broadband Common Stock on the Distribution Date in accordance with Article 4.

"Distribution Date" means the date on which the Distribution occurs.

"Distribution Registration Statement" has the meaning set forth in Section 4.02(b).

"Effective Time" has the meaning set forth in the Merger Agreement.

"Employee Benefits Agreement" means the Employee Benefits Agreement by and between AT&T and AT&T Broadband, in the form attached hereto as Exhibit C, as amended from time to time.

"Environmental Law" has the meaning set forth in the Merger Agreement.

"Environmental Liabilities" means all Liabilities relating to, arising out of or resulting from any Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, governmental response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses (including allocated costs of in-house counsel and other personnel), interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Exchange Agreement" has the meaning set forth in the Merger Agreement.

"GAAP" has the meaning set forth in the Merger Agreement.

"Governmental Approvals" means any notices, reports or other filings to be made, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" has the meaning set forth in the Merger Agreement.

"Group" means the AT&T Broadband Group or the AT&T Communications Group, as the context requires.

"Indebtedness" means, with respect to any Person, (a) any obligation of such Person (i) for borrowed money, (ii) evidenced by a note, debenture or similar instrument (including a purchase money obligation) given in connection with the acquisition of any property or assets, including securities, (iii) for the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, or (iv) under any lease or similar arrangement that would be required to be accounted for by the lessee as a capital lease in accordance with GAAP; (b) any guarantee (or keepwell agreement) by such Person of any indebtedness of others described in the preceding clause (a); and (c) all obligations to reimburse any bank or other Person for amounts paid under a letter of credit or similar instrument. For purposes of clarification, (x) Indebtedness includes, without duplication, obligations (or guarantees of obligations) related to preferred securities issued by a wholly owned trust Subsidiary and (y) Indebtedness (in the case of AT&T Broadband, any AT&T Broadband Entity or any member of the AT&T Broadband Group) includes the monetizations set forth on Schedule 1.23(i).

"Indemnifying Party" has the meaning set forth in Section 5.04(a).

"Indemnitee" has the meaning set forth in Section 5.04(a).

"Indemnity Payment" has the meaning set forth in Section 5.04(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Insurance Policies" means the insurance policies written by insurance carriers other than American Ridge or Western Range under which, prior to the Distribution Date, AT&T and/or AT&T Broadband or one or more of their Subsidiaries or Affiliates (or their respective officers or directors) are insured parties, excluding insurance policies funding Benefit Plans (as defined in the Employee Benefits Agreement) (which are addressed in the Employee Benefits Agreement).

"Insurance Proceeds" means those monies:

(a) received by an insured from an insurance carrier other than American Ridge or Western Range; or

(b) paid by an insurance carrier other than American Ridge or Western Range on behalf of an insured;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses (including allocated costs of in-house counsel and other personnel) incurred in the collection thereof.

"Intellectual Property Agreement" means the Intellectual Property Agreement by and between AT&T and AT&T Broadband, in the form attached hereto as Exhibit D, as amended from time to time.

"IRS" means the U.S. Internal Revenue Service.

"Issuing Party" has the meaning set forth in Section 6.02(c).

"Liabilities" means any and all losses, claims, charges, debts, demands, Actions, damages, obligations, payments, costs and expenses, bonds, indemnities and similar obligations, covenants, controversies, promises, omissions,

guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate

or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any law, rule, regulation, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel), whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement or any other Ancillary Agreement (other than the Tax Sharing Agreement) or incurred by a party hereto or thereto in connection with enforcing its rights to indemnification hereunder or thereunder, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person; provided, however, that Liabilities shall not include any liabilities for (i) Taxes based on, measured by or calculated with respect to net income or profits or (ii) Non-Income Taxes covered by Section 3.6 of the Tax Sharing Agreement.

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

"Local Network Connectivity Services Agreement" means the Local Network Connectivity Services Agreement dated as of January 1, 2001, as amended, between AT&T and AT&T Broadband, LLC, a Delaware limited liability company.

"Mergers" has the definition set forth in the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Merger dated as of December 19, 2001 by and among AT&T, Comcast and the other parties referred to therein.

"Microsoft" has the meaning set forth in the Recitals.

"Microsoft QUIPS Claim" has the meaning set forth in Section 5.02(e).

"New AT&T Subsidiary Preferred Stock" has the meaning set forth in the Merger Agreement.

"Non-Income Taxes" has the meaning set forth in the Tax Sharing Agreement.

"Notified Action" has the meaning set forth in Section 6.02(c).

"NYBCL" means the Business Corporation Law of the State of New York.

"Other Party" has the meaning set forth in Section 6.02(c).

"Parent Common Stock" has the meaning set forth in the Merger Agreement.

"Patent Assignment" means the Patent Assignment by and between AT&T and AT&T Broadband, LLC, a Delaware limited liability company, in the form attached hereto as Exhibit F, as amended from time to time.

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Primary Commercial Agreements" has the meaning set forth in the definition of Ancillary Agreements.

"Primary Indemnity Claim" has the meaning set forth in Section 6.04(b).

"Primary Transaction Agreements" has the meaning set forth in the definition of Ancillary Agreements.

"Prime Rate" means the rate that The Bank of New York (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its prime lending rate, as in effect from time to time.

"Proposed Acquisition Transaction" has the meaning set forth in Section 6.02(b).

"Proxy Statement" has the meaning set forth in Section 4.02(a).

"QUIPS" has the meaning set forth in the Merger Agreement.

"QUIPS Exchange" has the meaning set forth in the Merger Agreement.

"QUIPS Fair Market Value" has the meaning set forth in the Merger Agreement.

"QUIPS Transfer" has the meaning set forth in the Merger Agreement.

"Real Property Instruments" has the meaning set forth in Section 2.05(a).

"Record Date" means the close of business on such date as is mutually agreed upon by the parties.

"Registration Statement Claim" has the meaning set forth in Section 5.02(d).

"Registration Statements" means the Distribution Registration Statement and all other filings by AT&T, AT&T Broadband or any of their respective Affiliates with the Commission or any comparable state or foreign body made in connection with the transactions contemplated by this Agreement or any other Ancillary Agreement.

"Representation Letter" means the representation letter and any other materials (including the ruling request and the related supplemental submissions to the IRS) delivered or deliverable by AT&T and others in connection with the rendering by tax counsel and the issuance by the IRS of the Tax Opinions/ Rulings that shall be in form and substance reasonably satisfactory to AT&T and AT&T Broadband.

"Restructuring Transaction" has the meaning set forth in Section 2.01(h).

"Scheduled Debt" has the meaning set forth in Section 3.01.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

"Separation" means the transfer of the AT&T Broadband Assets to AT&T Broadband and the assumption by AT&T Broadband of the AT&T Broadband Liabilities, all as more fully described in this Agreement and the other Ancillary Agreements.

"Separation-Related Agreement" means any agreement entered into by any of the parties to this Agreement or any Affiliate or Subsidiary of any of the parties to this Agreement in connection with the Separation.

"Separation Transactions" has the meaning set forth in the Separation and Distribution Agreement dated as of June 4, 2001 by and between AT&T and AWS.

"Specified Matter" has the meaning set forth in the Separation and Distribution Agreement, dated as of June 4, 2001, by and between AT&T and AWS.

"Specified Transactions" has the meaning set forth in clause (g) of the definition of AT&T Broadband Liabilities.

"Spin-Off Disqualification" means (a) the Separation and Distribution failing to qualify under the provisions of Sections 355, 361(c) and 368(a)(1)(D) of the Code, or (b) the shares of AT&T Broadband failing to qualify as "qualified property" for purposes of Section 355(c)(2) or 361(c) of the Code by reason of Section 355(e) of the Code.

"Split-Off" has the meaning set forth in the Ninth Supplement to the Inter-Group Agreement dated as of June 14, 2001 by and among AT&T and the Liberty Media Parties (as defined therein).

"Subsequent Tax Opinion/Ruling" has the meaning set forth in Section 6.02(c).

"Subsidiary" has the meaning set forth in the Merger Agreement.

"Subsidiary Preferred Stock Exchange" has the meaning set forth in Section 4.01(d).

"Tax Opinions/Rulings" has the meaning set forth in Section 6.02(b).

"Tax Related Losses" has the meaning set forth in Section 6.02(d).

"Tax Sharing Agreement" means the Tax Sharing Agreement by and between AT&T and AT&T Broadband, in the form attached hereto as Exhibit G, as amended from time to time.

"Taxes" has the meaning set forth in the Tax Sharing Agreement.

"Third Party Claim" has the meaning set forth in Section 5.05(a).

"Third Party Tax Claim" has the meaning set forth in Section 6.03(a).

"T-Holdings" means AT&T Broadband T-Holdings, Inc. (f/k/a TCI Telephony Holdings, Inc.), a Delaware corporation.

"TOPRS" has the meaning set forth in the Merger Agreement.

"Trademark and Service Mark Agreement" means the Trademark and Service Mark Agreement by and among AT&T, AT&T Broadband, LLC, a Delaware limited liability company, and MediaOne Group, Inc., a Delaware corporation, in the form attached hereto as Exhibit H, as amended from time to time.

"Transaction Disqualification" has the meaning set forth in Section 6.04(a).

"TWE Option" has the meaning set forth in the Merger Agreement.

"UAI" means United Artists Investments, Inc., a Colorado corporation.

"UCT Video" means UCT Video, Inc., a Colorado corporation.

"Underpayment Rate" has the meaning set forth in Section 6.03(c).

"Western Range" means Western Range Insurance Company, a Vermont corporation.

ARTICLE 2

THE SEPARATION

SECTION 2.01. Transfer of Assets and Assumption of Liabilities. (a) Subject to Section 4.03, on or prior to the Distribution Date, AT&T will assign, transfer, convey and deliver to AT&T Broadband, and agrees to cause its applicable Subsidiaries to assign, transfer, convey and deliver to AT&T Broadband, and AT&T Broadband will accept from AT&T and its applicable Subsidiaries, all of AT&T's and its applicable Subsidiaries' respective right, title and interest in all AT&T Broadband Assets, other than the AT&T Broadband Assets constituting Delayed Transfer Assets.

(b) Subject to Section 4.03, on or prior to the Distribution Date, AT&T Broadband will assume and agree faithfully to perform and fulfill all the AT&T Broadband Liabilities that are not already Liabilities of an AT&T Broadband Subsidiary, other than the AT&T Broadband Liabilities constituting Delayed Transfer Liabilities, in accordance with their respective terms. AT&T Broadband shall be responsible for all AT&T Broadband Liabilities that are not already Liabilities of an AT&T Broadband Subsidiary, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, on or subsequent to the date hereof, regardless of where or against whom such Liabilities are asserted or determined (including any AT&T Broadband Liabilities arising out of claims made by AT&T's, or AT&T Broadband's, respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the AT&T Broadband Group or the AT&T Communications Group) or whether asserted or

determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the AT&T Broadband Group or the AT&T Communications Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates. For the avoidance of doubt, but subject to Section 5.03 including the indemnification obligations thereunder with respect to Liabilities described in clause (g) of the definition of AT&T Broadband Liabilities, AT&T Broadband is not itself agreeing to assume any Liabilities of At Home or its Subsidiaries.

(c) Subject to Section 4.03, on or prior to the Distribution Date, AT&T will assume and agree faithfully to perform and fulfill all the AT&T Communications Liabilities that are not already Liabilities of AT&T or any of its Subsidiaries (other than any AT&T Broadband Entity) in accordance with their respective terms. AT&T shall be responsible for all AT&T Communications Liabilities that are not already Liabilities of an AT&T Subsidiary (other than any AT&T Broadband Entity), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, on or subsequent to the date hereof, regardless of where or against whom such Liabilities are asserted or determined (including any AT&T Communications Liabilities arising out of claims made by AT&T's, or AT&T Broadband's, respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the AT&T Broadband Group or the AT&T Communications Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the AT&T Broadband Group or the AT&T Communications Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(d) Each of the parties hereto agrees that the Delayed Transfer Assets will be assigned, transferred, conveyed and delivered, and the Delayed Transfer Liabilities will be assumed, in accordance with the terms of the agreements that provide for such assignment, transfer, conveyance and delivery, or such assumption, after the date of this Agreement.

(e) In the event that at any time or from time to time (whether prior to or after the Distribution Date) any party hereto (or any member of such party's respective Group) shall receive or otherwise possess any Asset that is allocated to any other Person pursuant to this Agreement or any other Ancillary Agreement, such party shall promptly transfer, or cause to be transferred, such Asset to the Person so entitled thereto. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person.

(f) Prior to the transactions described in Sections 2.01(a)-(c), (i) AT&T shall cause T-Holdings to distribute to AT&T Broadband LLC the receivable held by T-Holdings or the applicable T-Holdings Subsidiary under a Promissory Note dated June 26, 2001, in the original principal amount of \$211,732,820.11 made by AT&T Broadband Holdings, Inc., and AT&T Broadband LLC shall contribute such receivable to AT&T Broadband Holdings, Inc., (ii) AT&T shall contribute \$6,110,360 million in cash to AT&T Broadband, (iii) AT&T shall cause T-Holdings and its Subsidiaries to sell all of their respective Assets that are used or held for use primarily in the AT&T Broadband Business (disregarding clause (y) of the proviso included in the definition of AT&T Broadband Group) (other than, for the avoidance of doubt, any equity interests of any T-Holdings Subsidiary and any shares of AT&T Subsidiary Preferred Stock or New AT&T Subsidiary Preferred Stock) to AT&T Broadband for \$6,110,360 million in cash and (iv) AT&T Broadband shall purchase from T-Holdings and its Subsidiaries for \$6,110,360 million in cash all of such Assets. Prior to the time that AT&T Broadband LLC becomes a Subsidiary of AT&T Broadband and the sale and purchase of Assets contemplated by clauses (iii) and (iv) of the preceding sentence, AT&T shall cause AT&T Broadband LLC to distribute all of the outstanding shares of T-Holdings to AT&T.

(g) Prior to the transactions described in Sections 2.01(a)-(c), (i) AT&T shall cause UCT Video and its Subsidiaries to transfer to AT&T Broadband the Assets (if any) held by UCT Video and its Subsidiaries that are used or held for use primarily in the AT&T Broadband Business (disregarding clause (y) of the proviso included in the definition of AT&T Broadband Group) (other than, for the avoidance of doubt, any equity interests of any UCT Video Subsidiary and any shares of AT&T Subsidiary Preferred Stock or New AT&T Subsidiary Preferred Stock) and (ii) AT&T Broadband shall accept such Assets from UCT Video and its Subsidiaries. Prior to the time that AT&T Broadband LLC becomes a Subsidiary of AT&T Broadband, AT&T shall cause AT&T Broadband LLC to distribute all of the outstanding shares of UCT Video to AT&T.

(h) Prior to the transactions described in Sections 2.01(a)-(c), (i) AT&T

shall cause UAI and its Subsidiaries to transfer to AT&T Broadband the Assets (if any) held by UAI and its Subsidiaries that are used or held for use primarily in the AT&T Broadband Business (disregarding clause (y) of the proviso included in the definition of AT&T Broadband Group) (other than, for the avoidance of doubt, any equity interests of any UAI Subsidiary and any shares of AT&T Subsidiary Preferred Stock or New AT&T Subsidiary Preferred Stock) and (ii) AT&T Broadband shall accept such Assets from UAI and its Subsidiaries. Prior to the time that AT&T Broadband LLC becomes a Subsidiary of AT&T Broadband, AT&T shall cause AT&T Broadband LLC to distribute all of the outstanding shares of UAI to AT&T.

(i) The provisions of this Section 2.01 and the definition of AT&T Broadband Asset do not apply to any intellectual property, including any Software, Proprietary Information, Materials (as such terms are defined in the Intellectual Property Agreement), copyrights, inventions, patents, patent applications, trade secrets and other technology to the extent it is allocated in the Intellectual Property Agreement, except for transfers made pursuant to the Patent Assignment.

(j) Anything in this Agreement to the contrary notwithstanding, if either AT&T or Comcast reasonably believes that the amount of income that would otherwise be required to be recognized under Treasury Regulations Section 1.1502-13 or 1.1502-19 by reason of the Distribution may be reduced or eliminated as a result of one or more restructuring transactions consummated prior to the Distribution, then the parties shall negotiate in good faith to reach agreement regarding such restructuring transaction. Notwithstanding anything in the preceding sentence, AT&T shall be permitted to effect, at its own expense, any restructuring transaction under this paragraph; provided that (i) Comcast shall be afforded reasonable notice and opportunity to comment upon plans to effect any such transaction, and (ii) such transaction shall not result in the failure of any AT&T Broadband Asset that was intended under this Agreement to be transferred to or held by any member of the AT&T Broadband Group to be so transferred or held, unless (A) such asset consists of the capital stock or other ownership interest in an AT&T Broadband Subsidiary the assets of which will be transferred, on or prior to the Distribution Date, to another member of the AT&T Broadband Group or (B) Comcast consents to such transaction, such consent not to be unreasonably withheld; provided, further, that AT&T shall indemnify Comcast for any increased Tax liability or other costs to Comcast or any AT&T Broadband Entity resulting from such transactions. Comcast agrees to reasonably cooperate with AT&T in connection with transactions described in this paragraph (j).

(k) Neither the making nor the acceptance of any Separation Related Agreement nor any provisions in any Separation Related Agreement shall enlarge, restrict or otherwise modify the provisions of this Agreement or the rights and obligations of the parties hereunder or constitute a waiver or release by any of the parties to this Agreement of any liabilities, duties or obligations imposed upon any party by the provisions of this Agreement and any Separation Related Agreement, the provisions of this Agreement shall govern and control, notwithstanding anything to the contrary in any Separation Related Agreement except to the extent the context clearly requires otherwise.

SECTION 2.02. Disclaimer of Representations and Warranties. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN ANY OTHER ANCILLARY AGREEMENT OR REAL PROPERTY INSTRUMENT OR IN THE MERGER AGREEMENT, (A) NONE OF AT&T, AT&T BROADBAND OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH) OR THE BUSINESS, ASSETS, CONDITION OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER INVOLVING, THE ASSETS, BUSINESSES OR LIABILITIES OF AT&T, AT&T BROADBAND, THE AT&T COMMUNICATIONS GROUP OR THE AT&T BROADBAND GROUP; (B) ALL OF THE ASSETS TO BE RETAINED OR TRANSFERRED OR THE LIABILITIES TO BE RETAINED, ASSUMED OR TRANSFERRED IN ACCORDANCE WITH THIS AGREEMENT SHALL BE TRANSFERRED OR ASSUMED ON AN "AS IS, WHERE IS BASIS," AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED, AND (C) NONE OF AT&T, AT&T BROADBAND OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE IN CONNECTION WITH THE SEPARATION, THE DISTRIBUTION OR THE MERGER OR THE ENTERING INTO OF THIS AGREEMENT OR THE MERGER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY. EACH PARTY HERETO AGREES AND ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES IN THE MERGER AGREEMENT SHALL NOT SURVIVE THE EFFECTIVE TIME. AT&T UNDERSTANDS AND AGREES THAT NO AT&T BROADBAND ENTITY SHALL HAVE ANY LIABILITY TO AT&T OR ANY OTHER PERSON FOR MONETARY DAMAGES FOR ANY BREACH BY SUCH AT&T BROADBAND ENTITY PRIOR TO THE EFFECTIVE TIME OF THIS AGREEMENT OR ANY OTHER ANCILLARY AGREEMENT OR REAL PROPERTY INSTRUMENT.

SECTION 2.03. Other Ancillary Agreements. On or prior to the Distribution Date, each of AT&T and AT&T Broadband will execute and deliver or cause to be executed and delivered all Ancillary Agreements to which it or any of its Subsidiaries is a party. At the request of Comcast or AT&T, on or prior to the Distribution Date, AT&T and AT&T Broadband will execute and deliver the Interim Services and Systems Replication Agreement, in the form attached hereto as Exhibit E. Pursuant to the terms of such agreement, AT&T or AT&T Broadband, as the case may be, will provide to AT&T Broadband or AT&T, as the case may be, such mutually agreed services as may be set forth on the schedules to such Agreement, such schedules to be on terms mutually agreed between Comcast and AT&T. If AT&T and AT&T Broadband enter into such agreement, such agreement will

Ancillary Agreement. Except to the extent set forth therein, Article 11 of this Agreement shall apply to any Ancillary Agreement (other than the Tax Sharing Agreement).

SECTION 2.04. Termination of Agreements. (a) Except as set forth in Section 2.04(b), effective as of the Distribution Date, AT&T for itself and each member of the AT&T Communications Group, on the one hand, and AT&T Broadband for itself and each member of the AT&T Broadband Group, on the other hand, hereby terminates any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among AT&T and/or any member of the AT&T Communications Group, on the one hand, and AT&T Broadband and/or any member of the AT&T Broadband Group, on the other hand, effective as of the Distribution Date. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Distribution Date. Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing, including having other members of their respective Groups execute such additional instruments, if any, as shall be necessary to effect the foregoing.

(b) The provisions of Section 2.04(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):

(i) (A) this Agreement, the other Primary Transaction Agreements, the Support Agreement, the Exchange Agreement, the Interim Services and Systems Replication Agreement dated as of the Closing Date, the Omnibus Amendment Agreement to Intercompany Telecommunications Agreements dated as of the Closing Date, and any agreement to which Parent, Comcast or any Subsidiary of Comcast is a party, (B) each other agreement or instrument expressly contemplated by any of the agreements set forth in clause (A) to be entered into by the parties hereto or any of the members of their respective Groups; provided that all of the material terms of such other agreement or instrument are set forth in the relevant agreement set forth in clause (A), and (C) any other agreement or instrument approved by or on behalf of Comcast and entered into in connection with any of the agreements set forth in clause (A);

(ii) any agreement, arrangement, commitment or understanding listed on Schedule 2.04(b)(ii);

(iii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.04(b)(iii) to which any Person other than the parties hereto and their respective wholly owned Affiliates is a party (it being understood that to the extent that the rights and obligations of the parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute AT&T Broadband Assets or AT&T Broadband Liabilities, they shall be assigned pursuant to Section 2.01);

(iv) any intercompany accounts payable or accounts receivable arising in the ordinary course of business and accrued as of the Distribution Date that are reflected in the books and records of the parties or otherwise documented in writing in accordance with past practices (regardless of whether such intercompany accounts payable or accounts receivable accrued under an agreement, arrangement, commitment or understanding that terminated pursuant to Section 2.04(a)); provided that, subject to Section 3.02, AT&T or AT&T Broadband, as the case may be, will pay or cause to be paid such intercompany accounts payable promptly when due;

(v) except as otherwise provided in the Tax Sharing Agreement, any written Tax sharing or Tax allocation agreements to which any member of any Group is a party;

(vi) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.04(b)(vi) to which any non-wholly owned Subsidiary or Affiliate of AT&T or AT&T Broadband, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and

(vii) any other agreements, arrangements, commitments or understandings that any of the agreements listed in clause (i) or (ii) expressly contemplates will survive the Distribution Date.

SECTION 2.05. Documents Relating to Transfer of Real Property Interests

and Tangible Property Located Thereon. (a) To the extent necessary, in furtherance of the assignment, transfer and conveyance of AT&T Communications Real Property and the assumption of the related AT&T Communications Liabilities pursuant to Section 2.01(a) and 2.01(b), on or prior to the Distribution Date each of AT&T and AT&T Broadband, or their applicable Subsidiaries, will execute and deliver such deeds, lease assignments and assumptions, leases, subleases and sub-subleases as may be necessary to effect the transactions contemplated by this Agreement,

including this Section 2.05 (collectively, the "Real Property Instruments"). Real Property Instruments will be on mutually acceptable terms.

(b) Except as otherwise expressly provided in this Agreement or any other Ancillary Agreement and except for AT&T Broadband Assets, all leasehold improvements, fixtures, furniture, office equipment, servers, private branch exchanges, artwork and other tangible property (other than equipment subject to capital or operating equipment leases, which will be transferred or retained based on whether the associated capital or operating equipment lease is or is not an AT&T Broadband Contract or as otherwise provided herein) located as of the date hereof on any AT&T Communications Real Property shall be transferred to a member of the AT&T Communications Group.

(c) Schedule 2.05(c) sets forth a list of AT&T Communications Real Property currently used in connection with both the AT&T Communications Business and the AT&T Broadband Business and that following the Distribution Date will be leased or subleased by members of the AT&T Communications Group to members of the AT&T Broadband Group, on terms and for the transition period reflected in Schedule 2.05(c).

(d) Schedule 2.05(d) sets forth a list of AT&T Broadband Real Property currently used in connection with both the AT&T Communications Business and the AT&T Broadband Business and that following the Distribution Date will be leased or subleased by AT&T Broadband or any of the AT&T Broadband Entities to members of the AT&T Communications Group, on terms and for the transition period reflected in Schedule 2.05(d).

SECTION 2.06. Documents Relating to Other Transfers of Assets and Assumption of Liabilities. In furtherance of the assignment, transfer and conveyance of AT&T Broadband Assets and the assumption of AT&T Broadband Liabilities pursuant to Sections 2.01(a) and 2.01(b), on or prior to the Distribution Date, (a) AT&T shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of AT&T's and its Subsidiaries' right, title and interest in and to the AT&T Broadband Assets to AT&T Broadband and (b) AT&T Broadband shall execute and deliver, to AT&T and its respective Subsidiaries such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of assumption, as and to the extent necessary to evidence the valid and effective assumption by AT&T Broadband of the AT&T Broadband Liabilities that are not already Liabilities of an AT&T Broadband Entity; provided that any instruments executed and delivered pursuant to this Section 2.06 shall be in form and substance reasonably satisfactory to Comcast.

SECTION 2.07. Governmental Approvals and Consents. (a) If and to the extent that the valid, complete and perfected transfer or assignment to AT&T Broadband of any AT&T Broadband Assets (or from the AT&T Broadband Group of any AT&T Communications Assets held by any member of such Group) would be a violation of applicable laws or require any Consent or Governmental Approval in connection with the Separation or the Distribution, then the transfer or assignment to or from the AT&T Communications Group, as the case may be, of such AT&T Broadband Assets or AT&T Communications Assets, respectively, shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Consents or Governmental Approvals have been obtained. Notwithstanding the foregoing, any such Transferred Asset shall be deemed an Asset of the transferee AT&T Communications Group or the AT&T Broadband Group, as applicable, for purposes of determining whether any Liability is a Liability of the AT&T Communications Group or the AT&T Broadband Group.

(b) If the transfer or assignment of any Asset intended to be transferred or assigned hereunder is not consummated prior to or at the Distribution Date, whether as a result of the provisions of Section 2.07(a) or for any other reason, then the Person retaining such Asset shall thereafter hold such Asset for the use and benefit, insofar as reasonably possible, of the Person entitled thereto (at the expense of the Person entitled thereto). In addition, the Person retaining such Asset shall take such other actions as may be reasonably requested by the Person to whom such Asset is to be transferred in order to place such Person, insofar as reasonably possible, in the same position as if such Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such AT&T Broadband Asset (or such AT&T Communications Asset, as the case may be), including possession, use, risk of loss, potential for gain, and dominion, control and command over such Asset, are to inure from and after the Distribution Date to the AT&T Broadband Group (or the AT&T Communications Group, as the case may be). To the extent permitted

by law and to the extent otherwise permissible in light of any required Consent and/or Governmental Approval, the AT&T Broadband Group shall be entitled to, and shall be responsible for, the management of any AT&T Broadband Asset not yet transferred to it as a result of this Section 2.07(b) and the parties agree to use reasonable commercial efforts to cooperate and coordinate with respect thereto.

(c) If and when the Consents and/or Governmental Approvals, the absence of which caused the deferral of transfer of any Asset

pursuant to Section 2.07(a), are obtained, the transfer of the applicable Asset shall be effected in accordance with the terms of this Agreement and/or the other applicable Ancillary Agreement.

(d) The Person retaining an Asset due to the deferral of the transfer of such Asset shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by the Person entitled to the Asset, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person entitled to such Asset.

SECTION 2.08. Novation of AT&T Broadband Liabilities. (a) Each of AT&T and AT&T Broadband, at the reasonable written request of the other, shall use its reasonable commercial efforts to obtain, or to cause to be obtained, any release, consent, substitution, approval or amendment required to novate and assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute AT&T Broadband Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the AT&T Broadband Group, so that, in any such case, the members of the AT&T Broadband Group will be solely responsible for such Liabilities; provided, however, that none of AT&T, AT&T Broadband or any of their respective Subsidiaries shall be obligated to pay any consideration or surrender, release or modify any rights or remedies therefor to any third party from whom such releases, consents, approvals, substitutions and amendments are requested except as specifically set forth in the Merger Agreement or elsewhere in this Agreement.

(b) If AT&T or AT&T Broadband is unable to obtain, or to cause to be obtained, any such required release, consent, substitution, approval or amendment, the applicable member of the AT&T Communications Group shall continue to be bound by such agreements, leases, licenses and other obligations and, unless not permitted by law or the terms thereof, AT&T Broadband shall, as agent or subcontractor for such member of the AT&T Communications Group, pay, perform and discharge fully all the obligations or other Liabilities of such member of the AT&T Communications Group thereunder from and after the date hereof. AT&T Broadband shall indemnify each AT&T Indemnitee and hold it harmless against any Liabilities arising in connection therewith. AT&T shall cause each member of the AT&T Communications Group, without further consideration, to pay and remit, or cause to be paid or remitted, to AT&T Broadband or the applicable member of the AT&T Broadband Group promptly all money, rights and other consideration received by it or any member of the AT&T Communications Group in respect of such performance. If and when any such release, consent, substitution, approval or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, AT&T shall promptly assign, or cause to be assigned, all its rights, obligations and other Liabilities thereunder or any rights, obligations or other Liabilities of any member of the AT&T Communications Group to AT&T Broadband or to another member of the AT&T Broadband Group without payment of further consideration and AT&T Broadband, without the payment of any further consideration, shall, or shall cause such other member of the AT&T Broadband Group to, assume such rights and obligations. Notwithstanding the foregoing, unless AT&T shall so elect, AT&T Broadband shall assume all Liabilities of any nature whatsoever that would constitute AT&T Broadband Liabilities as of the Distribution Date, except for Liabilities of another member of the AT&T Broadband Group.

SECTION 2.09. Novation of AT&T Communications Liabilities. (a) Each of AT&T and AT&T Broadband, at the reasonable written request of the other, shall use its reasonable commercial efforts to obtain, or to cause to be obtained, any release, consent, substitution, approval or amendment required to novate and assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute AT&T Communications Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the AT&T Communications Group, so that, in any such case, the members of the AT&T Communications Group will be solely responsible for such Liabilities; provided, however, that none of AT&T, AT&T Broadband or any of their respective Subsidiaries shall be obligated to pay any consideration or surrender, release or modify any rights or remedies therefor to any third party from whom such releases, consents, approvals, substitutions and amendments are requested except as specifically set forth in the Merger Agreement or elsewhere in this Agreement.

(b) If AT&T or AT&T Broadband is unable to obtain, or to cause to be obtained, any such required release, consent, approval, substitution or amendment, the applicable member of the AT&T Broadband Group shall continue to be bound by such agreements, leases, licenses and other obligations and, unless

not permitted by law or the terms thereof, AT&T shall, as agent or subcontractor for such member of the AT&T Broadband Group, pay, perform and discharge fully all the obligations or other Liabilities of such member of the AT&T Broadband Group thereunder from and after the date hereof. AT&T shall indemnify each AT&T Broadband Indemnatee and hold each of them harmless against any Liabilities arising in connection therewith. AT&T Broadband shall cause each member of the AT&T Broadband Group, without further consideration, to pay and remit, or cause to be paid or remitted, to AT&T or the applicable member of the AT&T Communications Group promptly all money, rights and other consideration received by it or any member of the AT&T Broadband Group in respect of such performance. If and when any such release, consent, substitution approval or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or

able to be novated, AT&T Broadband shall promptly assign, or cause to be assigned, all its rights, obligations and other Liabilities thereunder or any rights, obligations or other Liabilities of any member of the AT&T Broadband Group to AT&T or to another member of the AT&T Communications Group without payment of further consideration and AT&T, without the payment of any further consideration, shall, or shall cause such other member of the AT&T Communications Group to, assume such rights and obligations. Notwithstanding the foregoing, unless AT&T Broadband shall so elect, AT&T shall assume all Liabilities of any nature whatsoever that would constitute AT&T Communications Liabilities as of the Distribution Date, except for Liabilities of another member of the AT&T Communications Group.

SECTION 2.10. Joint Purchasing Arrangements. (a) In the case of existing purchasing agreements that prior to the Distribution Date provide the AT&T Broadband Group and the AT&T Communications Group with volume discounts, subject to applicable law, the parties agree to use their respective reasonable best efforts so that, to the extent permitted under the terms of such existing agreements, after the Distribution Date, each Group shall continue to be able to make purchases and obtain the benefits of the volume discounts. In the case of any other such contracts, subject to applicable law, the parties will cooperate reasonably in seeking modifications to such contracts or alternative or substitute arrangements so that, to the extent practicable after the Distribution Date, each Group shall continue to be able to make purchases and obtain the benefits of the volume discounts. Notwithstanding the foregoing, but subject to the terms of any AT&T Broadband Contract or AT&T Communications Contract, none of AT&T, AT&T Broadband or their respective Subsidiaries shall be required to commit to any additional purchases or other obligations, make any payments or waive any rights in order to effect the foregoing. Each party hereby agrees to indemnify and hold harmless the other party, and if applicable, the other party's Subsidiaries, with respect to any losses or claims arising from such first party's, or such first party's Subsidiaries', own purchases, commitments or other obligations under any such contracts.

(b) Until December 31, 2003, subject to applicable law, the parties will use reasonable commercial efforts to cooperate with each other and, as applicable, with each other's Subsidiaries, to coordinate and combine their purchases in cases where they purchase common supplies or use the same supplier, in each case to the extent permitted by law from time to time. It is the intent of the parties that this coordination and cooperation will be focused on achieving more favorable pricing and terms for such supplies and from such suppliers by aggregating the combined purchases of the parties and their Subsidiaries. Notwithstanding the foregoing, no party shall be obligated to make, or cause its Subsidiaries to make, any specific purchases or to use any specific supplier except to the extent (i) it or one of its Subsidiaries has previously committed to make a specific purchase or to use a specific supplier, or (ii) subsequent to the date of this Agreement, it or one of its Subsidiaries makes a commitment for a specific purchase or to use a specific supplier. Each party will be responsible for its own and its Subsidiaries' commitments and its own and its Subsidiaries' purchases and other obligations made under any common or shared contracts with suppliers and will, in respect of such commitments, purchases or other obligations, indemnify and hold harmless the other party and the other party's Subsidiaries that use such contracts.

SECTION 2.11. TWE Arrangements. The parties agree to the terms set forth in Annex I with respect to the partnership interests in TWE held, as of the date hereof, by MediaOne TWE Holdings, Inc., an AT&T Broadband Entity, and the TWE Option held by Media One of Colorado, Inc.

ARTICLE 3

FINANCIAL RESTRUCTURING

SECTION 3.01. Liability Management. The Indebtedness included on the AT&T Broadband Balance Sheet consists of the Indebtedness to third parties (the "Scheduled Debt") and Indebtedness to members of the AT&T Communications Group. Prior to the Distribution Date, the Indebtedness of the AT&T Broadband Group shall consist only of (i) the Scheduled Debt, Indebtedness to third parties reflected on the September 30, 2001 balance sheet included in the AT&T Broadband Financial Statements and the third party Indebtedness identified in Item 3 of Schedule 6.11 to the Merger Agreement (unless any such Indebtedness shall have been discharged) (ii) Indebtedness of the members of the AT&T Broadband Group to members of the AT&T Communications Group and (iii) such other debt as shall have been approved by the Interim Finance Committee. On the Distribution Date, the AT&T Broadband Entities may incur additional Indebtedness to parties (other than to members of the AT&T Communications Group) in an amount sufficient to (i) pay in full at the Effective Time to AT&T

an amount equal to the Indebtedness owed by any member of the AT&T Broadband Group to any member of the AT&T Communications Group, (ii) refinance the TOPRS that may be called for redemption at the Effective Time or shortly thereafter and (iii) provide appropriate cash reserves to fund the operations of the AT&T Broadband Entities after the Effective Time. Such Indebtedness shall be incurred in accordance with Section 9.15 of the Merger Agreement.

SECTION 3.02. Repayment of Intracompany Indebtedness. AT&T Broadband agrees that it will pay to AT&T, at the Effective Time and in connection with the transfer of assets and liabilities hereunder to AT&T Broadband, an amount of cash equal to the (i)

excess of the total Indebtedness of all members of the AT&T Broadband Group to any member of the AT&T Communications Group over (ii) \$30 million, and AT&T agrees to contribute (or cause its subsidiaries to contribute) such total Indebtedness to the capital of AT&T Broadband. AT&T agrees that it will repay or cause to be repaid at the Effective Time any Indebtedness of any member of the AT&T Communications Group to any member of the AT&T Broadband Group. AT&T also agrees that it will repay or cause to be repaid at the Effective Time any intercompany receivables owed by AT&T or any AT&T Subsidiary (other than any AT&T Broadband Entity) to Western Range.

SECTION 3.03. Note Consents. Subject to the terms and conditions of the Merger Agreement, AT&T and AT&T Broadband shall each use its reasonable best efforts to obtain the irrevocable consent to the transactions contemplated hereby of the holders of at least a majority in aggregate principal amount of each series of securities at the time outstanding issued under the Indenture, dated as of September 7, 1990, between American Telephone & Telegraph Company and The Bank of New York, as trustee.

ARTICLE 4

THE DISTRIBUTION

SECTION 4.01. The Distribution. (a) Subject to Section 4.03, on or prior to the Record Date, AT&T will deliver to the Agent for the benefit of holders of record of AT&T Common Stock on the Record Date, a single stock certificate, endorsed by AT&T in blank, representing the shares of AT&T Broadband Common Stock issuable in the Distribution (which, together with the shares to be issued pursuant to the Exchange Agreement, shall constitute all of the shares of AT&T Broadband Common Stock outstanding as of the Distribution Date), and shall cause the transfer agent for the shares of AT&T Common Stock to instruct the Agent to hold in trust (pending conversion of such shares of AT&T Broadband Common Stock into shares of Parent Common Stock pursuant to the AT&T Broadband Merger) the appropriate number of such shares of AT&T Broadband Common Stock (as set forth in Section 4.01(b)) for each such holder or designated transferee or transferees of such holder. For avoidance of doubt, AT&T will not be considered a holder of record of AT&T Common Stock as of the Record Date with respect to any shares of AT&T Common Stock held in its treasury.

(b) Subject to Section 4.03, each holder of AT&T Common Stock on the Record Date (or such holder's designated transferee or transferees) will be entitled to receive in the Distribution a number of shares of AT&T Broadband Common Stock equal to the number of shares of AT&T Common Stock held by such holder on the Record Date; provided, that no holder of AT&T Common Stock having purported to exercise rights pursuant to Section 910 of the NYBCL in respect of such holder's shares of AT&T Common Stock shall be entitled to receive AT&T Broadband Common Stock in the Distribution.

(c) AT&T Broadband and AT&T, as the case may be, will provide to the Agent all share certificates and any information reasonably required in order to complete the Distribution on the basis specified above.

(d) Immediately prior to the Record Date, each of the AT&T Broadband Subsidiaries, in exchange (the "Subsidiary Preferred Stock Exchange") for all of the shares of AT&T Subsidiary Preferred Stock held by such AT&T Broadband Subsidiary immediately prior to the Subsidiary Preferred Stock Exchange, will receive from AT&T a number of shares of AT&T Broadband Class A Common Stock (or, if AT&T and AT&T Broadband agree, shares of another class of AT&T Broadband stock) that has a value equal to the value of the shares of AT&T Subsidiary Preferred Stock so exchanged. The shares of AT&T Broadband Class A Common Stock to be issued pursuant to the preceding sentence shall be on the terms set forth in Exhibit I. Subject to the preceding sentence, AT&T Broadband agrees to amend its certificate of incorporation prior to the Subsidiary Preferred Stock Exchange to create the shares of AT&T Broadband Class A Common Stock necessary to effect the Subsidiary Preferred Stock Exchange. AT&T Broadband agrees that it shall not, and shall not permit any AT&T Broadband Subsidiary to, sell, dispose of or otherwise transfer any of the shares of AT&T Broadband Class A Common Stock that it receives as a result of the Subsidiary Preferred Stock Exchange, except upon conversion of such shares pursuant to Article 4 of the Merger Agreement.

(e) Immediately prior to the Record Date, each of the AT&T Subsidiaries (other than AT&T Broadband and the AT&T Broadband Subsidiaries), in exchange (the "Communications Subsidiary Preferred Stock Exchange") for all of the shares of AT&T Subsidiary Preferred Stock held by such AT&T Subsidiary immediately prior to the Communications Subsidiary Preferred Stock Exchange, will receive from AT&T a number of shares of New AT&T Subsidiary Preferred Stock (or, if AT&T and AT&T Broadband agree, shares of another class of AT&T

stock) that has a value equal to the value of the shares of AT&T Subsidiary Preferred Stock so exchanged. The shares of New AT&T Subsidiary Preferred Stock to be issued pursuant to the preceding sentence shall be on the terms set forth in Exhibit J. Subject to the preceding sentence, AT&T agrees to file a certificate of designation prior to the Communications Subsidiary Preferred Stock Exchange to create the shares of New AT&T Subsidiary Preferred Stock necessary to effect the Communications Subsidiary Preferred Stock Exchange.

(f) At the time of the Distribution, AT&T and AT&T Broadband will comply with their obligations under the Exchange Agreement, including through the transfer of shares of AT&T Broadband Common Stock from AT&T to Microsoft as described therein.

(g) If the QUIPS Transfer is to occur, AT&T Broadband and AT&T will effect the QUIPS Transfer.

(h) Each of AT&T, and AT&T Broadband agrees that in the event that any holder of shares of AT&T Common Stock purports to exercise any appraisal rights pursuant to Section 910 of the NYBCL, the parties will cooperate to appropriately adjust the provisions hereof.

(i) AT&T agrees that it will take all actions necessary to cancel (i) any shares of AT&T Broadband stock (or any securities exercisable, exchangeable or convertible therefor) owned or held by it or any of its Subsidiaries immediately offer the Distribution so that the only outstanding shares of AT&T Broadband stock are (A) the shares of AT&T Broadband Common Stock distributed to the holders of AT&T Common Stock in the Distribution, (B) the shares of AT&T Broadband Common Stock delivered to Microsoft in the QUIPS Exchange, and (C) the shares of AT&T Broadband Class A Common Stock held by AT&T Broadband Subsidiaries and (ii) any shares of AT&T Broadband Common Stock issued in respect of restricted AT&T Common Stock which pursuant to the Employee Benefits Agreement will be represented by or converted into AT&T restricted stock units after the Distribution.

SECTION 4.02. Actions Prior to the Distribution. (a) As promptly as reasonably practicable after the execution of this Agreement, subject to the provisions of the Merger Agreement, AT&T shall prepare and file with the Commission a proxy statement (the "Proxy Statement") to be sent to shareholders of AT&T in connection with their meeting to consider the Distribution (the "AT&T Meeting"), it being understood that the AT&T Meeting may be combined with any other meeting of shareholders regarding a possible business combination involving the AT&T Broadband Group.

(b) As promptly as reasonably practicable after the execution of this Agreement, subject to the provisions of the Merger Agreement and if required by applicable law to effect the Distribution, AT&T and AT&T Broadband shall prepare, and AT&T Broadband shall file with the Commission a registration statement on Form S-1 or S-4 or any amendment or supplement thereto pursuant to which shares of AT&T Broadband issuable in the Distribution will be registered with the Commission (the "Distribution Registration Statement"). If the Distribution Registration Statement is required by applicable law to be filed with the Commission to effect the Distribution, AT&T and AT&T Broadband shall use their reasonable best efforts to cause the Distribution Registration Statement to become effective under the Exchange Act as soon after such filing as reasonably practicable and to keep the Distribution Registration Statement effective as long as is necessary to consummate the Distribution.

(c) AT&T and AT&T Broadband shall take all such actions as are reasonably necessary or appropriate under the federal or state securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Distribution.

SECTION 4.03. Timing of the Distribution. AT&T shall consummate the Separation and Distribution as soon as practicable (and, in any event, within five Business Days) after satisfaction (or waiver to the extent permissible) of all of the conditions to the Separation and the Distribution specified below (other than conditions that by their nature are to be satisfied at the time of the Distribution or the Mergers and will in fact be satisfied at such time). The Separation shall occur on the Distribution Date prior to the Distribution which shall occur at a time to be mutually agreed on the Distribution Date. With the consent of Comcast, which consent shall not be unreasonably withheld, AT&T may effect the Separation and/or the Distribution on different dates or different times than provided for in the preceding sentence. The obligation of AT&T to consummate the Separation and the Distribution and the other transactions contemplated by this Agreement is subject to the satisfaction (or waiver to the extent permissible) of the following conditions:

(a) If required by applicable law to effect the Distribution, the Distribution Registration Statement shall have been filed and declared effective by the Commission, and there shall be no stop-order in effect with respect thereto;

(b) The actions and filings with regard to material federal or state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) described in Section 4.02(c) shall have

been taken and, where applicable, become effective or been accepted;

(c) Any Governmental Approvals and Consents including those listed on Schedule 4.03(c) necessary to consummate the

Distribution in the manner contemplated by this Agreement shall have been obtained and be in full force and effect, except for such Governmental Approvals and Consents the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an AT&T Broadband Material Adverse Effect or an AT&T Material Adverse Effect;

(d) All conditions to permit the Distribution to qualify as a tax-free distribution to AT&T, AT&T Broadband and shareholders of AT&T shall, to the extent applicable as of the time of the Distribution, be satisfied and there shall be no event or condition that is likely to cause any of such conditions not to be satisfied as of the time of the Distribution or thereafter;

(e) No order, injunction or decree issued by any court or agency of competent jurisdiction or other material legal restraint or prohibition preventing the consummation of the Separation or the Distribution or any of the other transactions contemplated by this Agreement or any other Ancillary Agreement shall be in effect and the Separation and Distribution shall be in compliance in all material respects with applicable law;

(f) This Agreement shall not have been terminated;

(g) The supplemental private letter ruling or rulings from the IRS or the opinion described in Section 10.01(j) of the Merger Agreement shall have been obtained and shall continue in effect;

(h) The Distribution shall have been approved by the affirmative vote of shareholders holding a majority of the voting power of the issued and outstanding shares of AT&T Common Stock at the AT&T Meeting; and

(i) The conditions specified in Sections 10.01 and 10.02 (other than Section 10.01(i)) of the Merger Agreement shall have been satisfied (or waived to the extent permissible).

The foregoing conditions are for the sole benefit of AT&T and shall not give rise to or create any duty on the part of AT&T or the Board of Directors of AT&T to waive or not waive any such condition.

ARTICLE 5

MUTUAL RELEASES; INDEMNIFICATION

SECTION 5.01. Release of Pre-Closing Claims. (a) Except as provided in Section 5.01(c), effective as of the Distribution Date, AT&T, for itself and each other wholly owned member of the AT&T Communications Group (other than any member of the AT&T Broadband Group) and their respective successors and assigns, and all shareholders, directors, officers, members, agents or employees of any wholly owned member of the AT&T Communications Group (in each case, in their respective capacities as such), hereby remises, releases and forever discharges each of AT&T Broadband and the respective wholly owned members of the AT&T Broadband Group (other than any member of the AT&T Communications Group), their respective successors and assigns, and all shareholders, directors, officers, members, agents or employees of any wholly owned member of the AT&T Broadband Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, whether or not known as of the Distribution Date, including in connection with the transactions and all other activities to implement either the Separation or the Distribution.

(b) Except as provided in Section 5.01(c), effective as of the Distribution Date, AT&T Broadband, for itself and each other wholly owned member of the AT&T Broadband Group (other than any member of the AT&T Communications Group) and their respective successors and assigns, and all shareholders, directors, officers, members, agents or employees of any wholly owned member of the AT&T Broadband Group (in each case, in their respective capacities as such), hereby remises, releases and forever discharges each of AT&T and the respective wholly owned members of the AT&T Communications Group (other than any member of the AT&T Broadband Group), their respective successors and assigns, and all shareholders, directors, officers, members, agents or employees of any wholly owned member of the AT&T Communications Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all

Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, whether or not known as of the Distribution Date, including in

connection with the transactions and all other activities to implement either the Separation or the Distribution.

(c) Nothing contained in Section 5.01(a) or 5.01(b) shall impair any right of any Person to enforce this Agreement, any other Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.04(b) or the applicable Schedules thereto not to terminate as of the Distribution Date, in each case in accordance with its terms. Nothing contained in Section 5.01(a) or 5.01(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the AT&T Broadband Group or the AT&T Communications Group that is specified in Section 2.04(b) or the applicable Schedules thereto as not to terminate as of the Distribution Date, or any other Liability specified in such Section 2.04(b) as not to terminate as of the Distribution Date;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Ancillary Agreement;

(iii) any Liability arising from or relating to the sale, lease, construction, provision, or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of any other Group prior to the Distribution Date;

(iv) any Liability for payment for goods, services or property purchased, obtained or used in the ordinary course of business by a member of one Group from a member of any other Group prior to the Distribution Date or any related refund claims; or

(v) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 5.01; provided that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any Person with respect to any Liability to the extent that such Person would be released with respect to such Liability by this Section 5.01 but for the provisions of this clause (v).

(d) AT&T shall not make, and shall not permit any member of the AT&T Communications Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against AT&T Broadband or any wholly owned member of the AT&T Broadband Group, or any other Person released pursuant to Section 5.01(a), with respect to any Liabilities released in respect of such Person pursuant to Section 5.01(a). AT&T Broadband shall not make, and shall not permit any member of the AT&T Broadband Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against AT&T or any wholly owned member of the AT&T Communications Group, or any other Person released pursuant to Section 5.01(b), with respect to any Liabilities in respect of such Person released pursuant to Section 5.01(b).

(e) At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 5.01.

SECTION 5.02. Indemnification by AT&T. Except as provided in Section 5.04, following the Distribution Date, AT&T shall indemnify, defend and hold harmless AT&T Broadband, each member of the AT&T Broadband Group, AT&T Comcast (but only in respect of subsections (d) and (e)) and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "AT&T Broadband Indemnitees"), from and against any and all Liabilities (or in the case of subsection (d), 50% of any and all Liabilities) of the AT&T Broadband Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of AT&T or any other member of the AT&T Communications Group or any other Person to pay, perform or otherwise promptly discharge any AT&T Communications Liabilities, or AT&T Communications Contract, in accordance with their respective terms, whether prior to or after the Distribution Date or the date hereof;

(b) the AT&T Communications Business, any AT&T Communications Asset

or any AT&T Communications Contract (except to the extent such Liabilities arise out of any breach by AT&T or any of its Subsidiaries prior to the Distribution Date of any AT&T Communications Contract entered into in connection with the separation, divestiture or termination of LMC and its Subsidiaries);

(c) any breach by AT&T or any member of the AT&T Communications Group of this Agreement or any of the other Ancillary

Agreements;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any Registration Statement, except to the extent such information relates to AT&T's proposal to create a tracking stock with respect to its consumer services business as contemplated by Section 11.06, AT&T's proposal to authorize a reverse stock split or any other AT&T 2002 annual meeting proposal other than the AT&T proposal to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement or the proposal in respect of the AT&T Parent Charter Approval (as defined in the Merger Agreement) (any Action relating to the matters set forth in this Section 5.02(d) or Section 5.03(d), a "Registration Statement Claim"); and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any Registration Statement to the extent such information relates to AT&T's proposal to create a tracking stock with respect to its consumer services business as contemplated by Section 11.06, AT&T's proposal to authorize a reverse stock split or any other AT&T 2002 annual meeting proposal other than the AT&T proposal to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement or the proposal in respect of the AT&T Parent Charter Approval (as defined in the Merger Agreement).

SECTION 5.03. Indemnification by AT&T Broadband. Except as provided in Section 5.04, following the Distribution Date, AT&T Broadband shall indemnify, defend and hold harmless AT&T, each member of the AT&T Communications Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "AT&T Indemnitees"), from and against any and all Liabilities (or in the case of subsection (d), 50% of any and all Liabilities) of the AT&T Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of AT&T Broadband or any other member of the AT&T Broadband Group or any other Person to pay, perform or otherwise promptly discharge any AT&T Broadband Liabilities, or AT&T Broadband Contract, in accordance with their respective terms, whether prior to or after the Distribution Date or the date hereof;

(b) the AT&T Broadband Business, any AT&T Broadband Asset or any AT&T Broadband Contract;

(c) any breach by AT&T Broadband or any member of the AT&T Broadband Group of this Agreement or any of the other Ancillary Agreements;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any Registration Statement, except to the extent such information relates to AT&T's proposal to create a tracking stock with respect to its consumer services business as contemplated by Section 11.06, AT&T's proposal to authorize a reverse stock split or any other AT&T 2002 annual meeting proposal other than the AT&T proposal to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement or the proposal in respect of the AT&T Parent Charter Approval (as defined in the Merger Agreement); and

(e) if neither the QUIPS Exchange nor the QUIPS Transfer occurs, any Liabilities relating to, arising out of or resulting from any Actions commenced by Microsoft claiming that the transactions contemplated hereby or by the Merger Agreement violate the terms of the QUIPS; provided that for purposes hereof, in the event that AT&T is required to repay the QUIPS as a result of such Action, the indemnified Liability hereunder in respect of such repayment shall be reduced by the amount of the QUIPS Fair Market Value plus any accrued interest on the QUIPS since the date as of which the QUIPS Fair Market Value was determined (any such Action, a "Microsoft QUIPS Claim").

Notwithstanding the foregoing, AT&T Broadband shall have no obligation to indemnify, defend and hold harmless any AT&T Indemnitee from and against any Liabilities arising out of any breach by At Home or any of its Subsidiaries of

any At Home Contract.

SECTION 5.04. Indemnification Obligations Net of Insurance Proceeds and Other Amounts. (a) The parties intend that any indemnification or reimbursement obligation pursuant to this Article 5 will be net of Insurance Proceeds that actually reduce the amount of the Liability. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by

or on behalf of the Indemnitee in reduction of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Insurance Proceeds that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to defend or make payment in response to any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (i.e., a benefit it would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof.

(c) With respect to all policies of insurance with insurance companies other than American Ridge and Western Range, the parties agree to act in good faith and to use their reasonable best efforts to preserve and maximize the insurance benefits due to be provided thereunder and to cooperate with one another as necessary to permit each other to access or obtain the benefits under those policies, provided, however, that nothing in this Section 5.04 shall be construed to prevent any party or any other Person from asserting claims for insurance benefits or accepting insurance benefits provided by the policies. The parties agree to exchange information upon reasonable request of the other party regarding requests that they have made for insurance benefits, notices of claims, occurrences and circumstances that they have submitted to the insurance companies or other entities managing the policies, responses they have received from those insurance companies or entities, including any payments they have received from the insurance companies and any agreements by the insurance companies to make payments, and any other information that the parties may need to determine the status of the insurance policies and the continued availability of benefits thereunder.

SECTION 5.05. Procedures for Indemnification of Third Party Claims. (a) If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the AT&T Broadband Group or the AT&T Communications Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 5.02 or 5.03, or any other Section of this Agreement or any Ancillary Agreement (except as otherwise provided therein), such Indemnitee shall give such Indemnifying Party written notice thereof promptly after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee to give notice as provided in this Section 5.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article 5, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and, unless the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense (including allocated costs of in-house counsel and other personnel) and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 5.05(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee, except as set forth in the next sentence. In the event that the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnitees shall be borne by the Indemnifying Party.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnitee of its election as provided in Section 5.05(b), such Indemnitee may defend such Third Party Claim at the cost and expense (including allocated costs of in-house counsel

and other personnel) of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnitee may settle or compromise any Third Party Claim without the consent of the Indemnifying Party.

(e) No Indemnifying Party shall consent to any settlement of the Third Party Claim without the consent of the Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(f) The provisions of Section 5.05 and Section 5.06 shall not apply to Taxes (which are covered by the Tax Sharing Agreement) or to matters covered by Sections 6.02 and 6.03.

(g) Notwithstanding anything in this Agreement to the contrary, and subject to any applicable provision of the AWS separation agreements, if either party is named in any Action relating to any At Home Matter, Specified Matter, Specified Transaction or Registration Statement Claim, that party shall be entitled to assume and control its own defense and to employ its own counsel. Neither party shall settle any such Action without the consent of the other party (which consent will not be unreasonably withheld). All legal and other fees (including allocated cost of in-house counsel and other personnel) incurred in connection therewith shall be divided 50/50 between AT&T and AT&T Broadband.

SECTION 5.06. Additional Matters. (a) Any claim on account of a Liability that does not result from a Third Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Ancillary Agreements.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other person but only to the extent related to such payment. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense (including allocated costs of in-house counsel and other personnel) of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant, if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section 5.06 and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts' fees and all other external expenses, and the allocated costs of in-house counsel and other personnel), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

SECTION 5.07. Remedies Cumulative. The remedies provided in this Article 5 shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

SECTION 5.08. Survival of Indemnities. The rights and obligations of each of AT&T, AT&T Broadband and their respective Indemnitees under this Article 5 shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE 6

INSURANCE AND CERTAIN OTHER MATTERS

SECTION 6.01. Insurance Matters. (a) The parties intend that both AT&T and AT&T Broadband and each other member of the AT&T Communications Group and the AT&T Broadband Group, after the Distribution Date, shall be successors-in-interest to and retain all rights and interest (whether known, unknown, contingent or otherwise) that each has as of the Distribution Date under any Insurance Policy issued to and/or providing coverage to AT&T, as it existed immediately prior to the Distribution Date, or any of its Subsidiaries or Affiliates, and any agreements related to such Insurance Policies executed and delivered prior to the Distribution Date, including any rights or interests each has, as an insured, named insured, or additional named insured, Subsidiary, Affiliate, division or department, to avail itself of any benefit under any such Insurance Policy or any such agreement related to such policy as

in effect prior to the Distribution Date. The provisions of this Agreement are not intended to relieve any insurer of any Liability under any policy. Notwithstanding the foregoing, no member of the AT&T Broadband Group or the AT&T Communications Group shall be deemed to have made any representation or warranty as to the availability of any Insurance Policy or the rights and benefits provided thereunder.

(b) This Agreement shall not be considered as an attempted assignment (if such an assignment would be prohibited or would otherwise adversely affect the rights of the insured parties under such policies) of any rights or interest under any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the AT&T Broadband Group or the AT&T Communications Group in respect of any Insurance Policy or any other contract or policy of insurance.

(c) Each of AT&T and AT&T Broadband does hereby, for itself and each other member of the AT&T Communications Group and the AT&T Broadband Group, agree that, as and to the extent necessary to give effect to Section 6.01(a), it will assign any chose in action, claim, right or benefit under an Insurance Policy.

(d) AT&T Broadband does hereby, for itself and each other member of the AT&T Broadband Group, agree that from and after the Distribution Date, AT&T Broadband and each other member of the AT&T Broadband Group releases any and all insurance or other claims that it may have against American Ridge and Subsidiaries of American Ridge, whether known or unknown.

(e) AT&T does hereby, for itself and each other member of the AT&T Communications Group, agree that (i) no member of the AT&T Broadband Group or any AT&T Broadband Indemnitee shall have any Liability whatsoever as a result of the insurance policies and practices of AT&T and its Affiliates as in effect or undertaken at any time prior to the Distribution Date, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise and (ii) from and after the Distribution Date, AT&T and each other member of the AT&T Communications Group releases any and all insurance or other claims that it may have against Western Range and Subsidiaries of Western Range, whether known or unknown.

(f) Each of AT&T and AT&T Broadband does hereby, for itself and each other member of the AT&T Communications Group and the AT&T Broadband Group, agree that all duties and obligations under any Insurance Policy, including the fulfillment of any conditions and the payment of any deductibles, retentions, co-insurance payment or retrospective premiums, that correspond in any way with or may be necessary to perfect, preserve or maintain an insured's right to obtain benefits under that Insurance Policy, will be performed by the insured that is seeking the benefits, subject to the indemnification provisions of Article 5. In the event members of both Groups have claims under a given policy, any deductibles, retentions, co-insurance payments, retrospective premiums, caps, limitations on average and similar items will be appropriately allocated between such parties based on the recoveries they would have obtained in the absence of such items.

SECTION 6.02. Certain Post-Distribution Transactions and Related Matters.

(a) Each of AT&T and AT&T Broadband agrees that, until 12 months after the date of the Distribution, it will (i) maintain its status as a company engaged in the active conduct of a trade or business and (ii) not engage in any transaction that would result in it ceasing to be a company engaged in the active conduct of a trade or business, as defined in Section 355(b) of the Code.

(b) Each of AT&T and AT&T Broadband further agrees that, until 25 months after the date of the Distribution, it will not, except as expressly contemplated by this Agreement or the Merger Agreement, (i) enter into any Proposed Acquisition Transaction or, to the extent AT&T or AT&T Broadband, as the case may be, has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (A) redeeming rights under a shareholders rights plan, (B) finding a tender offer to be a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, or (C) approving any Proposed Acquisition Transaction, whether for purposes of any interested shareholder statute, any "fair price" or other provision of its respective charter or bylaws or otherwise), (ii) liquidate or partially liquidate, (iii) in a single transaction or series of related transactions, sell or transfer all or substantially all of the assets of AT&T or the assets of the AT&T Broadband Group that were transferred to AT&T Broadband prior to the Distribution, as the case may be, (iv) redeem or otherwise repurchase (directly or through an Affiliate) any of its stock, (v) enter into any transaction or series of transactions as a result of which any Person would acquire, or have the right to acquire, from AT&T or AT&T Broadband, as the case may be, or one of their respective Affiliates, a number of shares of stock that would comprise more than 5% of (A) the value of all outstanding shares of stock of as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such

series, or (B) the voting power of the issued and outstanding shares of stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series or (vi) take any other action or actions (including any action or transaction that would be inconsistent with any representation made in the Tax Opinions/Rulings) that in the aggregate (and taking into account any other transactions described in this subparagraph (b)) would be reasonably likely to have the effect of causing or permitting one or more Persons to acquire directly or indirectly stock representing a 50 percent or greater interest (within the meaning of Section 355(e) of the Code) in AT&T or AT&T Broadband or otherwise jeopardize the non-recognition of taxable gain or loss for U.S. federal income tax purposes to AT&T, AT&T Affiliates and shareholders of AT&T in connection with the Separation and Distribution, unless prior to taking any such action set forth in the foregoing clauses (i) through (vi), AT&T (with respect to AT&T

Broadband) and AT&T Broadband (with respect to AT&T) has determined, in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the tax-free status of the Separation and Distribution, that such action or actions would not result in a Spin-Off Disqualification. Anything in the preceding sentence to the contrary notwithstanding, a transaction described in clauses (i) through (vi) of the preceding sentence shall not require the determination of the other party in the event that as of the date immediately preceding such transaction there has not been issued and, when taken together with the shares to be issued pursuant to the transaction, there will not be issued, directly or indirectly, pursuant to a Proposed Acquisition Transaction or otherwise, including as a consequence of the Merger Agreement, taking into account for such purpose all share transactions which would be taken into account under Section 355(e) of the Code assuming all such issuances were considered to be "part of a plan or series of related transactions" with the Distribution number of shares in excess of 30 percent of (A) the value of all outstanding shares of stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the voting power of the issued and outstanding shares of stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. "Proposed Acquisition Transaction" means a transaction or series of transactions as a result of which AT&T or AT&T Broadband would merge or consolidate with any other Person or pursuant to which any Person or any group of related Persons would acquire, or have the right to acquire, directly or indirectly, from one or more holders of outstanding shares of stock of a number of shares of stock that would comprise more than 5% of (A) the value of all outstanding shares of stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the voting power of the issued and outstanding shares of stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. "Tax Opinions/Rulings" means, collectively, the opinions of tax counsel and the rulings by the IRS deliverable to AT&T in connection with the transactions contemplated by this Agreement.

(c) If one party (the "Issuing Party") notifies the other (the "Other Party") that it desires to take one of the actions described in clauses (i) through (vi) of Section 6.02(b) (the "Notified Action") and the Other Party declines to exercise its discretion pursuant to Section 6.02(b) to permit the Issuing Party to take such Notified Action, the Issuing Party, in its reasonable discretion, may elect to seek a Subsequent Tax Opinion/Ruling that would permit the Issuing Party to take the Notified Action, and the Other Party shall cooperate in connection with such efforts; provided, however, that the reasonable costs and expenses of obtaining any such Subsequent Tax Opinion/Ruling shall be borne by the Issuing Party. "Subsequent Tax Opinion/Ruling" means either (i) an unqualified opinion of counsel jointly selected by the Issuing Party and the Other Party confirming that, as a consequence of the consummation of the Notified Action, no income, gain or loss for U.S. federal income tax purposes will be recognized by AT&T, the shareholders or former shareholders of AT&T, or any AT&T Affiliate with respect to the Separation and Distribution or (ii) an IRS private letter ruling to the same effect that, after reasonable due diligence conducted by the Other Party, are in form and substance reasonably satisfactory to the Other Party.

(d) Notwithstanding anything to the contrary herein or any provision of the Tax Sharing Agreement to the contrary, if there is a determination (as defined in Section 1313 of the Code) that a Spin-Off Disqualification has occurred, then AT&T Broadband shall indemnify and hold harmless AT&T and each member of the consolidated group of which AT&T is a member from and against one half of all Tax Related Losses imposed upon or incurred by AT&T or any member of its group as a result of the Spin-Off Disqualification; provided, however, that AT&T Broadband shall indemnify and hold harmless AT&T and each member of the consolidated group of which AT&T is a member from and against any and all Tax Related Losses imposed upon or incurred by AT&T or any member of its group as a result of the Spin-Off Disqualification if such Spin-Off Disqualification would not have occurred but for an AT&T Broadband Action and; provided, further, that AT&T Broadband shall have no obligation to indemnify AT&T or any member of the consolidated group of which AT&T is a member if the Spin-Off Disqualification would not have occurred but for an AT&T Communications Action. "AT&T Broadband Action" means (i) any transaction with respect to the stock or assets of AT&T Broadband that occurs after the Distribution, (ii) AT&T Broadband's failure to maintain its status as a company engaged in the active conduct of a trade or business, and (iii) the failure of any representation made by AT&T Broadband with respect to AT&T Broadband or the AT&T Broadband Business, and the plans, proposals, intentions and policies of AT&T Broadband after the Separation and Distribution in connection with a Subsequent Tax Opinion/ Ruling to be true and correct in all material respects. "AT&T

Communications Action" means (i) any transaction with respect to the stock or assets of AT&T that occurs after the Distribution, (ii) AT&T's failure to maintain its status as a company engaged in the active conduct of a trade or business, and (iii) the failure of any representation made by AT&T with respect to AT&T or the AT&T Communications Business and the plans, proposals, intentions and policies of AT&T after the Separation and Distribution in connection with the Tax Opinions/Rulings or a Subsequent Tax Opinion/Ruling to be true and correct in all material respects. The delivery of any Subsequent Tax Opinion/Ruling shall not affect either party's rights and obligations with respect to indemnification under this Section 6.02(d). "Tax Related Losses" means (A) all federal, state and local Taxes (including interest and penalties thereon) imposed pursuant to any settlement, final determination, judgment or otherwise; (B) all accounting, legal and other professional fees, and court costs incurred in connection with such taxes; and (C) all costs and expenses that may result from adverse tax consequences to AT&T (including all costs, expenses and damages associated with shareholder litigation or controversies) payable by AT&T or AT&T Affiliates.

SECTION 6.03. Procedure for Indemnification for Tax Liabilities. (a) If AT&T receives notice of the assertion of any claim, suit, arbitration, inquiry, proceeding or investigation by or before any court, governmental or other regulatory or administrative agency or commission or any arbitration tribunal asserted by a Person other than AT&T or any AT&T Affiliate or AT&T Broadband or any AT&T Broadband Affiliate that gives rise to a right of indemnification hereunder (a "Third Party Tax Claim") with respect to which AT&T Broadband may be obligated under Section 6.02(d) to provide indemnification, AT&T shall give AT&T Broadband notice thereof (together with a copy of such Third Party Tax Claim, process or other legal pleading) promptly after becoming aware of such Third Party Tax Claim; provided, however, that the failure of AT&T to give notice as provided in this Section shall not relieve AT&T Broadband of its obligations under Section 6.02(d), except to the extent that AT&T Broadband is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Tax Claim in reasonable detail.

(b) (i) Notwithstanding any provision to the contrary contained in the Tax Sharing Agreement, AT&T and AT&T Broadband shall jointly control the defense of, and cooperate with each other with respect to defending, any Third Party Tax Claim with respect to which AT&T Broadband may be obligated under Section 6.02(d) to provide indemnification; provided that AT&T Broadband shall forfeit such joint control right with respect to a particular Third Party Tax Claim if AT&T Broadband or any AT&T Broadband Affiliate makes any public statement or filing, or takes any action (including, but not limited to, the filing of any submission or pleading, or the giving of a deposition or production of documents, in any administrative or court proceeding) in connection with such Third Party Tax Claim that is inconsistent in a material respect with any representation or warranty made by AT&T Broadband in the Agreement, the Tax Opinions/Rulings, the Representation Letter or a Subsequent Tax Opinion/Ruling and; provided, further, that AT&T shall forfeit such joint control right with respect to a particular Third Party Tax Claim if AT&T or any AT&T Affiliate makes any public statement or filing, or takes any action (including, but not limited to, the filing of any submission or pleading, or the giving of a deposition or production of documents, in any administrative or court proceeding) in connection with such Third Party Tax Claim that is inconsistent in a material respect with any representation or warranty made by AT&T in the Agreement, the Tax Opinions/Rulings, the Representation Letter or a Subsequent Tax Opinion/Ruling.

(ii) AT&T and AT&T Broadband shall exercise their rights to jointly control the defense of any such Third Party Tax Claim solely for the purpose of defeating such Third Party Tax Claim and, unless required by applicable law, neither AT&T nor AT&T Broadband shall make any statements or take any actions that could reasonably result in the shifting of liability for any Tax Related Losses arising out of such Third Party Tax Claim from the party making such statement or taking such action (or any of its Affiliates) to the other party (or any of its Affiliates).

(iii) Statements made or actions taken by either AT&T or AT&T Broadband in connection with the defense of any such Third Party Tax Claim shall not prejudice the rights of such party in any subsequent action or proceeding between the parties.

(iv) If either AT&T or AT&T Broadband fails to jointly defend any such Third Party Tax Claim, the other party shall solely defend such Third Party Tax Claim and the party failing to jointly defend shall use commercially reasonable efforts to cooperate with the other party in its defense of such Third Party Tax Claim; provided, however, that neither party may compromise or settle any such Third Party Tax Claim without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. All costs and expenses of either party in connection with, and during the course of, the joint control of the defense of any such Third Party Tax Claim shall be initially paid by the party that incurs such costs and expenses. Such costs and expenses shall be reallocated and reimbursed in accordance with the respective indemnification obligations of the parties at the conclusion of the defense of such Third Party Tax Claim.

(c) (i) If there is a determination (as defined in Section 1313 of the Code) that a Spin-Off Disqualification has occurred, AT&T and AT&T Broadband shall attempt in good faith to resolve any disagreement with respect to whether there is an indemnification obligation pursuant to Section 6.02(d). If the parties cannot agree by the tenth Business Day following the determination (the "Dispute Date"), then the liability shall initially be determined as follows: Within 20 days of the Dispute Date, AT&T and AT&T Broadband shall each appoint one arbitrator. The two arbitrators so appointed shall appoint a third arbitrator within 30 days of the Dispute Date. If either party shall fail to appoint an arbitrator within such 20-day period, the arbitration shall be

conducted by the sole arbitrator appointed by the other party. Whether selected by AT&T, AT&T Broadband or otherwise, each arbitrator selected to resolve such dispute shall be a tax attorney who is generally recognized in the tax community as a qualified and competent tax practitioner with experience in the tax area involved in the issue to be resolved. Such arbitrators shall be empowered to determine initially whether or not AT&T Broadband is required to indemnify AT&T pursuant to Section 6.02(d) hereunder. Each of AT&T and AT&T Broadband shall bear 50% of the aggregate expenses of the arbitrators (or sole arbitrator). The decision of the arbitrators shall be rendered no later than 90 days from the Dispute Date.

(ii) On the tenth Business Day following the determination that there has been a Spin-Off Disqualification, if AT&T Broadband agrees that it has an indemnification obligation, AT&T Broadband shall pay in full any amount due and payable to AT&T pursuant to Section 6.02(d), together with interest calculated at the Underpayment Rate from the date of the determination that there was a Spin-Off Disqualification through the date of payment. If AT&T Broadband and AT&T disagree as to whether an indemnity obligation is due, and the arbitration process concludes that AT&T Broadband is liable, AT&T Broadband shall pay any amount that would be due and payable to AT&T if AT&T were entitled to indemnity pursuant to Section 6.02(d), together with interest on such amount calculated at the Underpayment Rate from the date of the determination that there was a Spin-Off Disqualification through the date of the payment. "Underpayment Rate" shall mean the annual rate of interest described in Section 6621(c) of the Code for large corporate underpayments of income Tax (or similar provision of state or local income Tax law, as applicable), as determined from time to time.

(iii) If pursuant to a final nonappealable order of a court of competent jurisdiction, it is determined that AT&T Broadband is obligated to pay and has not paid amounts payable to AT&T pursuant to Section 6.02(d) or that amounts paid by AT&T Broadband to AT&T should not have been paid, AT&T Broadband shall pay to AT&T the balance due, or AT&T shall repay to the excess amount paid, in either event within five days of the final determination of liability or overpayment, together with interest at the Underpayment Rate calculated (A) from the date of the determination that there was a Spin-Off Disqualification in the case of a payment to be made by AT&T Broadband or (B) from the date of payment by AT&T Broadband to AT&T in the case of a repayment to be made by AT&T. All payments pursuant to this Section 6.03(c) shall be made by wire transfer to the bank account designated by AT&T or AT&T Broadband, as the case may be, for such purpose.

SECTION 6.04. Other Transactions. (a) Notwithstanding any provision of the Tax Sharing Agreement to the contrary, AT&T Broadband shall indemnify and hold harmless AT&T and each member of the consolidated group of which AT&T is a member from and against one half of all Tax Related Losses imposed upon or incurred by AT&T or any member of its group as a result of (i) the Separation Transactions or the Split-Off failing to qualify as tax-free transactions under the provisions of Sections 355, 361(c) and 368(a)(1)(D) of the Code, or (ii) the shares of AWS or LMC failing to qualify as "qualified property" for purposes of Section 355(c)(2) or 361(c) of the Code by reason of the application of Section 355(e) of the Code (each such failure, a "Transaction Disqualification"); provided, however, AT&T Broadband shall indemnify and hold harmless AT&T and each member of the consolidated group of which AT&T is a member from and against any and all Tax Related Losses imposed upon or incurred by AT&T or any member of its group as a result of the Transaction Disqualification if such Transaction Disqualification would not have occurred but for an AT&T Broadband Action and; provided, further, that, AT&T Broadband shall have no obligation to indemnify AT&T or any member of the consolidated group of which AT&T is a member if the Transaction Disqualification would not have occurred but for an AT&T Communications Action.

(b) Any indemnity payment required to be made by AT&T Broadband under Section 6.04(a) as a result of a Transaction Disqualification shall be net of AT&T Broadband's Share of any indemnification that AT&T is entitled to receive from AWS or LMC, as the case may be, as a result of such Transaction Disqualification (a "Primary Indemnity Claim"). AT&T, at AT&T Broadband's direction and expense, shall use reasonable efforts to pursue and collect AT&T Broadband's Share of a Primary Indemnity Claim from AWS or LMC, as the case may be, prior to seeking indemnification from AT&T Broadband for such amount. In the event that AT&T has not received indemnification with respect to AT&T Broadband's Share of a Primary Indemnity Claim at least five days prior to the date on which AT&T is required to make a payment that gives rise to such claim, AT&T shall be entitled to demand payment of AT&T Broadband's Share of a Primary Indemnity Claim from AT&T Broadband, provided that AT&T Broadband shall have no obligation to pay AT&T Broadband's Share of a Primary Indemnity Claim unless AT&T has (i) provided AT&T Broadband with information in reasonable detail describing its efforts to pursue and collect such Primary Indemnity Claim and (ii) afforded AT&T Broadband the opportunity to take reasonable efforts on behalf of AT&T, at AT&T Broadband's expense, to pursue and collect such Primary Indemnity Claim. "AT&T Broadband's Share" means (i) 100% in the event the Transaction Disqualification is attributable to an AT&T Broadband Action or (ii) 50% otherwise. If AT&T Broadband makes payment to AT&T in respect of an amount for which AT&T has a Primary Indemnity Claim, AT&T shall assign AT&T Broadband's Share of such Primary Indemnity Claim to AT&T Broadband and shall cooperate, at AT&T Broadband's direction and expense, with AT&T Broadband in prosecuting such claim. If AT&T receives a payment required by Section 6.04(a) from AT&T Broadband and subsequently receives a payment with respect to a Primary Indemnity Claim that was not previously taken into account, in whole or

in part, in determining the amount of AT&T Broadband's payment to AT&T, then AT&T will pay to AT&T Broadband an amount equal to the excess of the payment made by AT&T Broadband over the amount of the payment that AT&T Broadband would have been required to make if payment under the Primary Indemnity Claim had been received by AT&T before payment was made by AT&T Broadband.

(c) If there is a determination (as defined in Section 1313 of the Code) that a Transaction Disqualification has occurred and the

parties cannot agree whether such a Transaction Disqualification would not have occurred but for an AT&T Communications Action or an AT&T Broadband Action, as the case may be, the procedures set forth in Section 6.03(c) shall apply.

(d) In the event that, in connection with a Transaction Disqualification that is attributable to an AT&T Broadband Action, AT&T has any rights against or obligations to AWS or LMC that are substantially similar to those set forth in Section 6.03, (i) AT&T shall assign such rights and obligations to AT&T Broadband, if at all practicable, or (ii) if such assignment cannot be achieved for any reason, AT&T shall exercise such rights and perform such obligations at the direction of AT&T Broadband and AT&T Broadband shall indemnify AT&T for all associated costs. Such costs shall be reallocated and reimbursed in accordance with the respective indemnification obligations as determined under Section 6.04(c). If a Transaction Disqualification is not attributable to an AT&T Communications Action or an AT&T Broadband Action, such rights and obligations shall, to the extent practicable, be exercised and performed jointly and all associated costs shall be shared equally.

ARTICLE 7

EXCHANGE OF INFORMATION; CONFIDENTIALITY

SECTION 7.01. Agreement for Exchange of Information. (a) Each of AT&T and AT&T Broadband, on behalf of the AT&T Communications Group and the AT&T Broadband Group, respectively, agrees to provide, or cause to be provided, to each other Group, at any time before or after the Distribution Date, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group that the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities or Tax laws) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative, Tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, Tax or other similar requirements, or (iii) to comply with its obligations under this Agreement or any other Ancillary Agreement; provided, however, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence. AT&T and AT&T Broadband intend that any transfer of Information that would otherwise be within the attorney-client privilege shall not operate as a waiver of any potentially applicable privilege.

(b) After the date hereof, each of AT&T and AT&T Broadband shall maintain in effect adequate systems and controls to the extent necessary to enable the members of the other Group to satisfy their respective reporting, accounting, audit and other obligations.

SECTION 7.02. Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 7.01 shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

SECTION 7.03. Compensation for Providing Information. The party requesting such Information agrees to reimburse the other party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting party. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other agreement between the parties, such costs shall be computed in accordance with the providing party's standard methodology and procedures.

SECTION 7.04. Record Retention. To facilitate the possible exchange of Information pursuant to this Article 7 and other provisions of this Agreement after the Distribution Date, the parties agree to use their reasonable best efforts to retain all Information in their respective possession or control on the Distribution Date in accordance with their respective record retention policies. No party will destroy, or permit any of its Subsidiaries to destroy, any Information that the other party may have the right to obtain pursuant to this Agreement prior to the third anniversary of the date hereof without first using its reasonable best efforts to notify the other party of the proposed destruction and giving the other party the opportunity to take possession of such information prior to such destruction; provided, however, that in the case of any Information relating to Taxes or to Environmental Liabilities, such period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof). Moreover, no party will

destroy, or permit any of its Subsidiaries to destroy, any policies of insurance (or records related to such insurance policies) without first using its reasonable best efforts to notify the other party of the proposed destruction and giving the other party reasonable opportunity to take possession of such information prior to such destruction, if it is possible that the other party may be able to obtain coverage under such policies. (The foregoing includes "occurrence"-based liability policies, which continue to cover liability for alleged harm during their policy period, even if no claim is made based on such alleged harm until after the end of the policy period.)

SECTION 7.05. Limitation of Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or that is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct by the party providing such Information. No party shall have any liability to any other party if any Information is destroyed after reasonable best efforts by such party to comply with the provisions of Section 7.04.

SECTION 7.06. Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article 7 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

SECTION 7.07. Production of Witnesses; Records; Cooperation. (a) After the Distribution Date, except in the case of an adversarial Action by one party against the other party (which shall be governed by such discovery rules as may be applicable thereto), each party hereto shall take all reasonable steps to make available to the other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of its respective Group (whether as witnesses or otherwise) and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action (including preparation for such Action) in which the requesting party may from time to time be involved, regardless of whether such Action (or preparation for such action) is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, or if any party chooses or is required to prosecute, pursue, otherwise evaluate or defend any Action, the other parties shall cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 7.07, each of the parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any intellectual property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the parties to make available former, current and future directors, officers, employees, other personnel and agents pursuant to this Section 7.07 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available inventors and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.07(a)). Without limiting the foregoing, each party agrees that (i) neither it nor any member of its respective Group will take adverse action against any employee of its Group based on such employee's provision of assistance or information to the other party pursuant to Section 7.07(a) and (ii) to the extent relevant and necessary, neither it nor any member of its respective Group will enforce any confidentiality agreement against an employee of its Group that would otherwise prevent or hinder such employee from cooperating or providing information to a requesting party pursuant to Section 7.07(a).

(f) In connection with any matter contemplated by this Section 7.07, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of either Group.

SECTION 7.08. Confidentiality. (a) Subject to Section 7.09, each of AT&T and AT&T Broadband, on behalf of itself and its respective Group, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to its own confidential and proprietary information pursuant to policies in effect at the relevant time, all Information concerning the other Group that is either in its

possession (including Information in its possession prior to any of the date hereof, or the Distribution Date) or furnished by the other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, any other Ancillary Agreement or otherwise, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has

been (i) in the public domain through no fault of such party or such party's Group or any of their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party (or such party's Group), which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of the other party.

(b) Each party agrees not to release or disclose, or permit to be released or disclosed, any such Information concerning the other Group to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 7.09. Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement or any other Ancillary Agreement, each party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

SECTION 7.09. Protective Arrangements. In the event that any party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any Information concerning the other Group pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information concerning the other Group that is subject to the confidentiality provisions hereof, such party shall notify the other party of such disclosure at least five days prior to disclosing or providing such Information and shall cooperate at the expense of the requesting party in seeking any reasonable protective arrangements requested by such other party. Subject to the foregoing, after a court of competent jurisdiction has had an opportunity to rule on such protective arrangements, the Person that received such request may thereafter disclose or provide Information to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority.

ARTICLE 8

FURTHER ASSURANCES AND ADDITIONAL COVENANTS

SECTION 8.01. Further Assurances. (a) In addition to the actions specifically provided for elsewhere in this Agreement, the other Ancillary Agreements and the Merger Agreement, but subject to the provisions hereof and thereof, each of the parties hereto shall use its reasonable best efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement, the other Ancillary Agreements and the Merger Agreement.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each party hereto shall cooperate with the other party, and without any further consideration, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement, the other Ancillary Agreements and the Merger Agreement, in order to effectuate the provisions and purposes of this Agreement, the other Ancillary Agreements and the Merger Agreement and the transfers of the AT&T Broadband Assets and the assignment and assumption of the AT&T Broadband Liabilities and the other transactions contemplated hereby and thereby.

(c) On or prior to the Distribution Date, AT&T and AT&T Broadband in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by AT&T and AT&T Broadband or any other Subsidiary of AT&T, as the case may be, to effectuate the transactions contemplated by this Agreement.

ARTICLE 9

TERMINATION

SECTION 9.01. Termination. This Agreement may be terminated by AT&T prior to the Distribution Date at any time following termination of the Merger Agreement in accordance with its terms.

SECTION 9.02. Effect of Termination. In the event of any termination of this Agreement prior to the Distribution Date, no party to this Agreement (or any of its directors or officers) shall have any Liability or further obligation to any other party with respect to this Agreement.

ARTICLE 10

DISPUTE RESOLUTION AND ARBITRATION

SECTION 10.01. Agreement to Arbitrate. Except as otherwise specifically provided in this Agreement (including, without limitation, in Article 6, concerning Third Party Tax Claims) or in any other Ancillary Agreement, the procedures set forth in this Article 10 shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any other Ancillary Agreement, or the transactions contemplated hereby or thereby (including all actions taken in furtherance of the transactions contemplated hereby or thereby on or prior to the date hereof), or the commercial or economic relationship of the parties relating hereto or thereto, between or among any member of the AT&T Broadband Group, or the AT&T Communications Group. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article 10 shall be the sole and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except as expressly provided in Sections 10.11(c) and 10.12 and except to the extent provided under the Federal Arbitration Act in the case of judicial review of arbitration results or awards. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any claim, controversy or dispute set forth in the first sentence of this Section 10.01. The parties agree that claims filed pursuant to this Article 10 may seek direct damages but in no event for such claims shall either party be liable to the other for any incidental, special, reliance, consequential or any other indirect damages or losses (including lost profits or revenues).

SECTION 10.02. Reasonable Best Efforts to Resolve Disputes; Mediation. It is the intent of the parties to use their respective reasonable best efforts to negotiate and resolve expeditiously any dispute, controversy or claim between or among them that may arise from time to time on a mutually acceptable negotiated basis. The parties may, by mutual consent, retain a mediator to aid in any attempt to informally negotiate resolution of any dispute, although any opinion expressed by a mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. Costs of a mediation shall be borne equally by the parties involved in the matter, except that each party shall be responsible for its own expenses. Mediation is not a prerequisite to a demand for arbitration under Section 10.03.

SECTION 10.03. Demand for Arbitration. At any time before the Applicable Deadline, any party involved in the dispute, controversy or claim may make a written demand (the "Arbitration Demand Notice") that the dispute be resolved by binding arbitration, which Arbitration Demand Notice shall be given to the parties to the dispute, controversy or claim in the manner set forth in Section 11.08. Such Arbitration Demand Notice shall describe in reasonable detail the facts surrounding such dispute, controversy or claim and the basis of such party's claim for relief pursuant to this Article. Except as may be expressly provided in any Ancillary Agreement, any Arbitration Demand Notice must be asserted within one year after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended by the parties in writing, the "Applicable Deadline"; provided that in no event will the Applicable Deadline occur with respect to any matter before the first anniversary of the Distribution). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the expiration of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Sections 10.11(c) and 10.12, upon delivery of an Arbitration Demand Notice prior to the Applicable Deadline, the dispute, controversy or claim shall be decided by an Arbitration Panel in accordance with the rules set forth in this Article 10.

SECTION 10.04. Arbitration Panel. When an Arbitration Demand Notice is

given, the parties involved in the dispute, controversy or claim shall attempt to select a sole arbitrator satisfactory to all such parties. In the event the parties are not able jointly to select a sole arbitrator, such parties shall each appoint an arbitrator within 30 days after delivery of the Arbitration Demand Notice. Only one arbitrator may be appointed for the AT&T Broadband Group and the AT&T Communications Group, respectively. In the event that a sole arbitrator is not selected, the two chosen arbitrators, within 30 days after the appointment of the later of them to be appointed, will in turn choose a third arbitrator, and the three arbitrators thus chosen will constitute the arbitration panel.

SECTION 10.05. Commencement and Place of Arbitration. The sole arbitrator or arbitration panel (as applicable, the "Arbitration Panel") will meet within 30 days of the last appointment to commence the arbitration, which period may be extended upon the agreement of the arbitrators. The Arbitration Panel will set a time for the hearing of the matter, which will commence no later than 90 days after the date of the last appointment. The place of any arbitration hereunder will be as agreed upon by the parties, or, if the parties are unable to agree, as set by the Arbitration Panel.

SECTION 10.06. Arbitration Hearings. The matter shall be presented to the Arbitration Panel at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrator or both the parties. If the Arbitration Panel deems it to be appropriate for a fair resolution of the dispute, live cross-examination or direct examination may be permitted. The Arbitration Panel shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitration hearing will be no longer than 30 full hearing days, unless in the judgment of the Arbitration Panel the matter is complex and sophisticated and thereby requires a longer time; provided, however, that such hearing shall in any event be completed within 180 calendar days. The Arbitration Panel may set time and other limits on the presentation of each party's case, its memoranda or other submissions, and may refuse to receive any proffered evidence, that the Arbitration Panel finds to be cumulative, unnecessary, irrelevant or of low probative nature. Except as otherwise set forth herein, any arbitration hereunder will be conducted in accordance with the CPR Rules for Non-Administered Arbitration of Business Disputes then prevailing (except that the arbitration will not be conducted under the auspices of the CPR and the fee schedule of the CPR will not apply). To the extent that the provisions of this Agreement and the prevailing rules of the CPR conflict, the provisions of this Agreement shall govern.

SECTION 10.07. Arbitration Decision. The final decision of the Arbitration Panel will be rendered in writing to the parties not later than 60 days after the last hearing date, unless otherwise agreed by the parties in writing. The decision of the Arbitration Panel will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at an annual rate of the Prime Rate plus 2% per annum.

SECTION 10.08. Discovery and Related Matters. Any party involved in the applicable dispute may request limited document production from the other party or parties of specific and expressly relevant documents. Any such discovery shall be conducted expeditiously, and it is intended that discovery shall be limited as compared to the provisions of the Federal Rules of Civil Procedure. Depositions shall not occur except by consent of the parties or by order of the Arbitration Panel. Disputes concerning the document production or other discovery will be determined by written agreement of the parties involved in the applicable dispute or, failing such agreement, will be referred to the Arbitration Panel for resolution. All discovery requests will be subject to the proprietary rights and rights of privilege of the parties, and the Arbitration Panel will adopt procedures to protect such rights and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the Arbitration Panel shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

SECTION 10.09. Arbitration Panel's Authority. The Arbitration Panel shall have full power and authority to determine issues of arbitrability and to interpret or construe the applicable provisions of this Agreement or any other Ancillary Agreement and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the Arbitration Panel shall not have any right or authority (i) in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions; (ii) to award incidental, special, reliance, consequential, or other indirect damages (including lost profits or revenues); (iii) to award punitive or treble damages; or (iv) to modify the terms of this Agreement. It is the intention of the parties that in rendering a decision, the Arbitration Panel give effect to the applicable provisions of this Agreement and the other Ancillary Agreements and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrator's award).

SECTION 10.10. Confidentiality. Except as required by law, the parties agree that the existence and contents of the entire arbitration, including the award, shall be deemed a compromise of a dispute under Rule 408 of the Federal Rules of Evidence, shall not be discoverable in any proceeding, shall not be

admissible in any court (except for the enforcement thereof) or arbitration and shall not bind or collaterally estop either party with respect to any claim or defense asserted by any third party. Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of the arbitration or any mediation in confidence in accordance with the provisions of Article 7 and except as may be required in order to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

SECTION 10.11. Certain Additional Matters. (a) If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrator may hear and determine the controversy upon evidence produced by the appearing party.

(b) Arbitration costs will be borne equally by each party involved in the matter, except that each party will be responsible for its own attorneys' fees and other costs and expenses, including the costs of witnesses selected by such party.

(c) Prior to the time at which the Arbitration Panel are appointed, any party may seek one or more temporary restraining orders in a court of competent jurisdiction if necessary in order to preserve and protect the status quo. Neither the request for, or grant or denial of, any such temporary restraining order shall be deemed a waiver of the obligation to arbitrate as set forth herein and the Arbitration Panel may dissolve, continue or modify any such order.

(d) In the event that at any time any member of the Arbitration Panel shall fail to serve as an arbitrator for any reason, the appropriate party or the two party-selected arbitrators, as the case may be, shall select a new arbitrator, in accordance with the procedures set forth in Section 10.04. The extent, if any, to which testimony previously given shall be repeated or may be relied upon based on the stenographic record (if there is one), shall be determined by the replacement arbitrator.

SECTION 10.12. Limited Court Actions. (a) Notwithstanding anything herein to the contrary, in the event that any party reasonably determines the amount in controversy in any dispute, controversy or claim (or any series of related disputes, controversies or claims) under this Agreement or any other Ancillary Agreement is, or is reasonably likely to be, in excess of \$100 million and if such party desires to commence an Action in lieu of complying with the arbitration provisions of this Article 10, such party shall so state in its Arbitration Demand Notice. If the other parties to the arbitration disagree about whether the amount in controversy exceeds \$100 million, the Arbitration Panel selected pursuant to Section 10.04 shall decide the issue. The Arbitration Panel shall set a date no later than ten days after the date of its appointment for submissions by the parties with respect to such issue. There shall be no discovery in connection with such issue. The Arbitration Panel shall render its decision on such issue within five days of such date so set by the Arbitration Panel. The parties agree that any statute of limitations applicable to the dispute, controversy or claim before the Arbitration Panel shall be tolled during the pendency of the decision described in the immediately preceding sentence. In the event that the Arbitration Panel determines that the amount in controversy is or is reasonably likely to be in excess of \$100 million, the provisions of Sections 10.05, 10.06, 10.07, 10.08, and 10.14 shall not apply, and within 15 days of such decision, any party to the arbitration may elect in lieu of arbitration, to commence an Action with respect to such dispute, controversy or claim (or such series of related disputes, controversies or claims) in any court of competent jurisdiction returned to in Section 11.03. If the Arbitration Panel does determine that the amount in controversy is not in excess of \$100 million, the provisions of this Article 10 (including with respect to time periods) shall apply as if no determinations were sought or made pursuant to this Section 10.12(a).

(b) In the event that an arbitration award in excess of \$100 million is issued in any arbitration proceeding commenced hereunder, any party may, within 60 days after the date of such award, submit the dispute, controversy or claim (or series of related disputes, controversies or claims) giving rise thereto to a court of competent jurisdiction, regardless of whether such party or any other party sought to commence an Action in lieu of proceeding with arbitration in accordance with Section 10.12(a). In such event, the applicable court may elect to rely on the record developed in the arbitration or, if it determines that it would be advisable in connection with the matter, allow the parties to seek additional discovery or to present additional evidence. Each party shall be entitled to present arguments to the court with respect to whether any such additional discovery or evidence shall be permitted and with respect to all other matters relating to the applicable dispute, controversy or claim (or series of related disputes, controversies or claims).

SECTION 10.13. Continuity of Performance and Remaining Obligations. Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement and each other Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article 10 with respect to all matters not subject to such dispute, controversy or claim.

SECTION 10.14. Law Governing Arbitration Procedures. The interpretation of the provisions of this Article 10, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Federal Arbitration Act and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth

in Section 11.02.

SECTION 10.15. Non-applicability of Article. Notwithstanding anything herein to the contrary, this Article 10 shall not apply to any dispute, controversy or claim or to any other matter whatsoever arising under Section 6.02 or 6.03, the Tax Sharing Agreement, any other Tax sharing agreement or any Third Party Tax Claims or to any other matter relating to Taxes. This Article similarly shall not apply to the extent provided in any other Ancillary Agreement.

ARTICLE 11
MISCELLANEOUS

SECTION 11.01. Counterparts; Entire Agreement; Corporate Power. (a) This Agreement and each other Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(b) This Agreement, and the other Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof or thereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

(c) AT&T represents on behalf of itself and each of its Subsidiaries (other than the AT&T Broadband Entities) and AT&T Broadband represents on behalf of itself and each other AT&T Broadband Entity:

(i) each such Person is a corporation or other entity duly incorporated or formed, validly existing and in good standing under the laws of the state of its incorporation or formation, has all corporate or other similar powers required to carry on its business as currently conducted and is duly qualified to do business and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified, individually or in the aggregate, has not had and would not reasonably be expected to have an AT&T Material Adverse Effect or an AT&T Broadband Material Adverse Effect, respectively;

(ii) each such Person has the requisite corporate or other power and authority and has taken all corporate or other similar action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(iii) this Agreement and each other Ancillary Agreement to which any such Person is a party has been duly executed and delivered by such Person and constitutes a valid and binding agreement of such Person enforceable in accordance with the terms thereof.

(d) Each party hereto acknowledges that it and each other party hereto is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each party hereto expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such party to the same extent as if it were signed manually and agrees that at the reasonable request of any other party hereto at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

SECTION 11.02. Governing Law. This Agreement and, unless expressly provided therein, each other Ancillary Agreement, shall be governed by and construed and interpreted in accordance with the laws of the State of New York, irrespective of the choice of laws principles of the State of New York, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

SECTION 11.03. Jurisdiction. Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, any of the other Ancillary Agreements or the transactions contemplated hereby or thereby shall be brought in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Agreement or out of any of the other Ancillary Agreements shall be deemed to have arisen from a transaction of business in the State of New York, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which

is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.06 shall be deemed effective service of process on such party.

SECTION 11.04. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OF THE OTHER ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 11.05. Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each other Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto, respectively, and their respective successors and assigns; provided, however, that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any other Ancillary Agreement without the express prior written consent of each of the other parties hereto or thereto.

SECTION 11.06. AT&T Restructuring. AT&T and AT&T Broadband recognize that AT&T is contemplating creating a tracking stock with respect to its consumer services business. Subject to AT&T's obligations under the Merger Agreement, including Section 9.06(b) thereof, nothing in this Agreement shall prevent the creation by AT&T of any tracking stock with respect to such business or otherwise. In the event of the creation of such a tracking stock, (i) references in this Agreement to AT&T Common Stock shall be adjusted as necessary to accommodate the existence of such tracking stock and (ii) AT&T may, but is not required to, distribute all or a portion of the shares of such tracking stock in the Distribution. In the event any such tracking stock is distributed in connection with the Distribution, Article 4 shall be revised to appropriately account for such distribution. Any adjustment or revision pursuant to the preceding sentence shall be reasonably satisfactory to Comcast.

SECTION 11.07. Third Party Beneficiaries. Except for Comcast, which prior to any termination of this Agreement shall be a third party beneficiary of AT&T Broadband's rights under to this Agreement and each other Ancillary Agreement, and except for the indemnification rights under this Agreement of any AT&T Indemnitee or AT&T Broadband Indemnitee in their respective capacities as such, and except as specifically provided in the Employee Benefits Agreement, (i) the provisions of this Agreement and each other Ancillary Agreement are solely for the benefit of the parties and are not intended to confer upon any Person except the parties any rights or remedies hereunder, and (ii) there are no third party beneficiaries of this Agreement or any other Ancillary Agreement and neither this Agreement nor any other Ancillary Agreement shall provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any other Ancillary Agreement.

SECTION 11.08. Notices. All notices or other communications under this Agreement or any other Ancillary Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person or (b) deposited in the United States mail or private express mail, postage prepaid, addressed as follows:

If to AT&T, to:

AT&T Corp.
295 North Maple Avenue
Basking Ridge, New Jersey 07920
Attention: Marilyn J. Wasser
Fax: (908) 953-8360

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Richard D. Katcher
Steven A. Rosenblum
Stephanie J. Seligman
Fax: (212) 403-2000

If to AT&T Broadband, to:

AT&T Broadband Corp.
295 North Maple Avenue
Basking Ridge, New Jersey 07920

Attention: Marilyn J. Wasser
Fax: (908) 953-8360

with a copy to:

Comcast Corporation
1500 Market Street
Philadelphia, Pennsylvania 19102
Attention: General Counsel
Fax: (215) 981-7794

and:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Dennis S. Hersch
William L. Taylor
Fax: (212) 450-4800

Any party may, by notice to the other party, change the address to which such notices are to be given.

SECTION 11.09. Severability. If any provision of this Agreement or any other Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

SECTION 11.10. Expenses. The provisions of Sections 11.03(a)-(c) of the Merger Agreement are hereby incorporated by reference.

SECTION 11.11. Headings. The Article, Section and paragraph headings contained in this Agreement and in the other Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any other Ancillary Agreement.

SECTION 11.12. Waivers of Default. Waiver by any party of any default by the other party of any provision of this Agreement or any other Ancillary Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of the other party.

SECTION 11.13. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any other Ancillary Agreement, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement or such other Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 11.14. Amendments. No provisions of this Agreement or any other Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom such waiver, amendment, supplement or modification it is sought to be enforced.

SECTION 11.15. Late Payments. Except as expressly provided to the contrary in this Agreement or in any other Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any other Ancillary Agreement (and any amounts billed or

otherwise invoiced or demanded and properly payable that are not paid within 30 days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 2%.

SECTION 11.16. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms "hereof," "herein," and "herewith" and words of similar import herein (or in any Ancillary Agreement) shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable other Ancillary Agreement) taken as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such other Ancillary Agreement). Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable other Ancillary Agreement) unless otherwise specified. The word "including" and words of similar import when used in this Agreement (or the applicable other Ancillary Agreement) means "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive. Unless expressly stated to the contrary in this Agreement or in any other Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to December 19, 2001 (or the date of which the relevant Ancillary Agreement is first entered into, as the case may be) regardless of any amendment or restatement hereof (or thereof). References to a "member" of either Group shall be held to include any corporation or other Person within the definition of such Group. References to "legal fees" shall include allocated costs of in-house counsel. The parties hereto have participated jointly in the negotiation and drafting of this Agreement, and in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

AT&T CORP.

By: /s/ MARILYN J. WASSER

Name: Marilyn J. Wasser
Title: Vice President-- Law and Secretary

AT&T BROADBAND CORP.

By: /s/ ROBERT S. FEIT

Name: Robert S. Feit
Title: Vice President and Assistant
Secretary

The following provisions set forth the parties' understandings with respect to the disposition of all or any portion of the interest in TWE (the "TWE Interest") held, as of the date hereof, by MediaOne TWE Holdings, Inc. and its affiliates at any time or from time to time whether prior to or after the Closing Date:

(a) The following terms, as used in this Annex I, have the following meanings:

"Closing Date" has the meaning set forth in the Merger Agreement.

"Contingent Payment" means (i) 50% of the excess, if any, of (A) the Determined Value over (B) the Threshold Amount, reduced by (ii) an amount equal to the product of 50% of such excess and the rate set forth in subparagraph (e) hereof.

"Determined Value" means the Fair Market Value of the TWE Interest or portion thereof disposed of, as the case may be; provided, however, that if all or any portion of the TWE Interest is disposed of within the TWE Disposition Period under Article XIII of the TWE Partnership Agreement or pursuant to one or more negotiated dispositions or public or private market dispositions, then the Determined Value with respect to such portion shall be the Proceeds from such disposition(s).

"Fair Market Value" means with respect to all or any portion of the TWE Interest, the Proceeds that would be received in a public offering of such interest (or corresponding equity securities of a corporation into which TWE is converted or that holds the TWE interest) (after deducting (i) reasonable expenses, including underwriters' discounts and commissions and (ii) in the event such offering is an initial public offering, an appropriate initial public offering discount) based on the then prevailing market conditions.

"Parent" has the meaning set forth in the Merger Agreement.

"Proceeds" means (subject to clause (d) below) (a) if the proceeds are paid in cash, the amount of the cash actually received;

(b) if the proceeds are paid in securities, assets or rights:

(i) in the case of securities, assets or rights listed on any established stock exchange or a national market system including the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation ("NASDAQ") System, Proceeds means the average of the closing sales price for such item (or the closing bid, if no sales were reported) reported in the Wall Street Journal for the 20 consecutive trading day period prior to such date;

(ii) in the case of securities, assets or rights quoted on the NASDAQ System (but not on the National Market System thereof) or regularly quoted by a recognized securities dealer but selling prices are not reported, Proceeds means the average of the means between the high and low asked prices for the item for the 20 consecutive trading day period prior to such date; or

(iii) in the absence of an established market for the securities, assets or rights (including the rights embodied in this Annex I), Proceeds means the fair value thereof as determined in good faith by a mutually acceptable investment banking firm.

"Threshold Amount" means at any given time, an amount, which will initially be \$10.2 billion and shall be reduced by the aggregate Proceeds of previous dispositions of the TWE Interest received from time to time, provided that from the date the Merger Agreement is entered into, the outstanding balance of the Threshold Amount from time to time shall bear simple interest at a rate of 7% per annum and such interest shall be added to the Threshold Amount.

"TWE Disposition Period" has the meaning set forth in clause (b) of this Annex I.

(b) If all or any part of the TWE Interest is disposed of by AT&T Broadband, Parent or their respective successors during the period beginning on the date the Merger Agreement is signed and ending on the last day of the 54th month after the Closing Date (the "TWE Disposition Period"), and the Closing occurs, AT&T Broadband shall pay to AT&T on behalf of the AT&T Communications

Group, an amount equal to the Contingent Payment. Any Contingent Payment shall be paid in the same proportion of cash, securities, assets and rights as was received in the disposition and no Contingent Payment shall be made until amounts equal to the Threshold Amount have been received as Proceeds. For the avoidance of doubt, the transactions contemplated by the Merger Agreement and this

Agreement shall not be considered a disposition for purposes hereof.

(c) If the TWE Interest has not been fully disposed of within the TWE Disposition Period, the remaining interest shall be appraised by a mutually acceptable investment banking firm on the basis of Fair Market Value. To the extent that the Proceeds that would be received if such remaining interest were disposed of for Fair Market Value exceeds the Threshold Amount, AT&T Broadband shall pay to AT&T on behalf of the AT&T Communications Group an amount in cash equal to 50% of such excess, reduced by an amount equal to the product at 50% of such excess and the tax rate set forth in subparagraph (e) hereof, and AT&T Broadband shall have no further obligations under this Annex I. If no payment is required to be made pursuant to the preceding sentence, AT&T Broadband shall have no further obligations under this Annex I.

(d) In the event that, before the Closing Date, AT&T (subject to Section 8.01(xii) of the Merger Agreement), or after the Closing Date, Parent, effects a disposition of the TWE Interest on a Tax deferred basis, the payment to be made to AT&T (taking into account the present value of the deferred Tax, the direct and indirect costs of executing the transaction (including the detriment of any guarantees required to be given) and the risk of the transaction) shall be determined in good faith by the Board of Directors of AT&T Broadband or Parent, as applicable.

(e) For purposes of this Annex I, the Tax rate will be assumed to be the highest combined federal, state and local marginal corporate Tax rate in effect at the relevant time.

(f) For all Tax purposes (unless required by a change in applicable Tax law or resolution of a contest conducted in good faith and not settled, compromised and/or conceded without the other party's consent, which shall not be unreasonably withheld), the parties hereto agree to treat, and to cause their respective affiliates to treat any payment hereunder as a distribution by AT&T Broadband to AT&T, as the case may be, occurring immediately prior to the Distribution and in connection with the Distribution.

COMCAST

PRESS RELEASE

Media Contact:

Karen Dougherty Buchholz, Vice President, Corporate Communications 215-981-8520
 Tim Fitzpatrick, Director of Corporate Communications 215-981-8515

Investor Contacts:

Marlene S. Dooner, Vice President, Investor Relations 215-981-7392
 Kelley L. Claypool, Director, Investor Relations 215-981-7729
 Daniel J. Goodwin, Director, Investor Relations 215-981-7518

COMCAST COMPLETES AT&T BROADBAND TRANSACTION

Company to Focus on Basic Video,
 Deploying Broadband Cable and Internet, and Customer Service

Philadelphia - November 18, 2002 - Comcast Corporation (NASDAQ: CMCSA; CMCSK) today announced that its transaction with AT&T Broadband is complete, bringing together cable assets serving more than 21.4 million subscribers in 41 states.

The new Comcast Corporation, formerly named AT&T Comcast Corporation, provides digital cable to 6.3 million customers, high-speed data to more than 3.3 million customers and cable phone service to more than 1.3 million customers.

Brian L. Roberts, Chief Executive Officer of Comcast, said, "This is an historic moment for the entire Comcast family - including our employees, customers and shareholders. This vibrant new company is a leader in serving consumers with exciting new products and technologies, and is focused on providing the highest standards in customer service.

"Comcast is a financially strong company uniquely positioned to generate significant benefits for our customers and shareholders alike. Our focus now turns to bringing all of our cable systems up to the Comcast standard, quickly moving to deploy digital cable and data to meet the growing demand for these products, and continuing to deliver consistently strong financial results. I'm excited for the many opportunities that lie ahead of us," said Mr. Roberts.

C. Michael Armstrong, Chairman of Comcast, said, "Today marks the birth of a leading national broadband communications media and entertainment company. The people of Comcast and AT&T Broadband should be proud of what they have created, and excited for the opportunities that the future is sure to bring. I'm looking forward to working closely with Brian and the management team to help realize the potential of this great new company."

Under the terms of the previously announced transaction, AT&T has spun off AT&T Broadband and combined it with Comcast. As a result, AT&T shareholders are entitled to receive 0.3235 shares of the new Comcast Corporation Class A common stock in respect of each share of AT&T common stock they owned at the close of business on Friday, November 15, 2002, the record date for the spin-off, and will continue to hold their shares of AT&T common stock. Comcast shareholders will receive for each share of old Comcast common stock one share of the corresponding class of the new Comcast common stock.

The new Comcast common stock will begin trading under the NASDAQ symbols CMCSA and CMCSK on Tuesday, November 19th.

The Comcast Board of Directors consists of 12 directors. The five directors appointed by Comcast from its board are: Decker Anstrom, Sheldon M. Bonovitz, Julian A. Brodsky, Brian L. Roberts and Ralph J. Roberts. The five directors appointed by AT&T from its board are: C. Michael Armstrong, J. Michael Cook, George M.C. Fisher, Louis A. Simpson and Michael I. Sovern. The jointly appointed board members are: Kenneth J. Bacon and Dr. Judith Rodin.

About Comcast

Comcast Corporation (www.comcast.com), formerly known as AT&T Comcast Corporation, is principally involved in the development, management and operation of broadband cable networks, and in the provision of electronic commerce and programming content. The company is the largest cable company in the United States serving approximately 21.4 million cable subscribers. The Company's commerce and content businesses include majority ownership of QVC,

Comcast Spectacor, Comcast SportsNet, E! Entertainment Television, Style, The Golf Channel, Outdoor Life Network and G4. Comcast Class A common stock and Class A Special common stock will be traded on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.

AGREEMENT AND DECLARATION OF TRUST

This agreement and declaration of trust ("Agreement") is entered into as of November 18, 2002 by and among MOC Holdco I, Inc. ("Grantor"), a Delaware corporation and an indirect wholly-owned subsidiary of AT&T Comcast Corporation ("AT&T Comcast"), Edith E. Holiday, an individual with an office in Wilmington, Delaware, as operating trustee hereunder (the "Operating Trustee"), and The Capital Trust Company of Delaware, a Delaware trust company, as Delaware trustee hereunder (the "Delaware Trustee").

WHEREAS, the Agreement and Plan of Merger dated as of December 19, 2001, as amended, among AT&T Corp. ("AT&T"), Comcast Corporation ("Comcast"), AT&T Comcast and the other parties thereto provides for the spin-off of AT&T Broadband Corp. ("AT&T Broadband"), a wholly-owned subsidiary of AT&T, and the subsequent mergers of wholly-owned subsidiaries of AT&T Comcast with and into AT&T Broadband and Comcast, respectively (such transactions, the "AT&T Comcast Transaction");

WHEREAS, upon the closing of the AT&T Comcast Transaction (the "Closing"), MediaOne of Colorado, Inc. ("MOC"), a Colorado corporation, an indirect parent of Grantor and an indirect wholly-owned subsidiary of AT&T Broadband, became an indirect wholly-owned subsidiary of AT&T Comcast;

WHEREAS, AT&T Broadband indirectly holds partnership interests in Time Warner Entertainment Company, L.P., a Delaware limited partnership ("TWE"), which prior to the transactions described in the recitals below were held as follows: (i) a partnership interest representing approximately 2.86% of the pro rata senior priority (Series A) capital and residual equity capital of TWE (the "MOC TWE Interest") was held by MOC; and (ii) a partnership interest representing approximately 24.78% of the pro rata senior priority (Series A) capital and

residual equity capital of TWE (the "MOTH TWE Interest") was held by MediaOne TWE Holdings, Inc. ("MOTH"), a Delaware corporation and at such time a direct wholly-owned subsidiary of MOC;

WHEREAS, TWE, AT&T, MOC, MOTH, Comcast, AT&T Comcast, AOL Time Warner Inc. ("AOL Time Warner") and certain other parties have entered into the Restructuring Agreement dated as of August 20, 2002 (as it may be amended, the "Restructuring Agreement" and, together with the other Transaction Agreements, the Engagement Letter, the Confidentiality Agreements and the Letter Agreements (each as defined in the Restructuring Agreement), the "TWE Restructuring Documents"), providing for the restructuring of TWE and certain related transactions (the "TWE Restructuring");

WHEREAS, prior to the date hereof: (i) MOC contributed the MOC TWE Interest to Grantor (its wholly owned subsidiary) and Grantor succeeded to the rights, and agreed to assume the obligations, of MOC under the Agreement of Limited Partnership of TWE, dated October 29, 1991, as amended (the "TWE Partnership Agreement"); (ii) Grantor contributed the MOC TWE Interest to TWE Holdings I LLC ("LLC 1"), a Delaware limited liability company and a wholly owned subsidiary of Grantor, and LLC 1 succeeded to the rights, and agreed to assume the obligations of, Grantor under the TWE Partnership Agreement (such contributions of the MOC TWE Interest, collectively, the "MOC TWE Contribution"); and (iii) Grantor, as sole member of LLC 1, approved the conversion of LLC 1 into a Delaware statutory trust and approved the form of this Agreement as the governing instrument for such trust;

WHEREAS, concurrent with the MOC TWE Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the MOC TWE Interest under the TWE Restructuring Documents to LLC 1, and LLC 1 accepted such assignment and agreed

to assume such obligations (such obligations, the "MOC Assumed Obligations" and such rights, the "MOC Assumed Rights");

WHEREAS, following the MOC TWE Contribution: (i) LLC 1 was duly converted (the "Trust 1 Conversion") into a Delaware statutory trust (the "Trust") pursuant to the Delaware Limited Liability Company Act (6 Del. C. ss.18-101, et seq.) (as amended from time to time and any successor to such statute, the "LLC Act") and to the Delaware Statutory Trust Act (12 Del. C. ss.3801, et seq.) (as amended from time to time and any successor to such statute, the "Act") by the execution and filing with the Secretary of State of the State of Delaware of a Certificate of Conversion and a Certificate of Trust; and (ii) pursuant to the Trust 1 Conversion, (A) the limited liability company interests in LLC 1 were converted into beneficial interests in the Trust and, upon completion of the Trust 1 Conversion, 100% of such beneficial interests in the Trust were held directly by Grantor and (B) the MOC Assumed Obligations, the MOC Assumed Rights and the rights and obligations of LLC 1 under the TWE Partnership Agreement were vested in the Trust;

WHEREAS, prior to the date hereof: (i) MOC contributed 100% of the capital stock of MOTH to MOC Holdco II, Inc. ("Holdco 2"), a Delaware corporation and a wholly owned subsidiary of MOC; and (ii) Holdco 2 contributed 100% of the capital stock of MOTH to TWE Holdings II LLC ("LLC 2"), a Delaware limited liability company and a wholly owned subsidiary of Holdco 2 (such contributions of MOC's MOTH stock, the "MOTH Stock Contribution");

WHEREAS, concurrent with the MOTH Stock Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the direct or indirect interest of MOC in the equity of MOTH under the TWE Restructuring Documents to LLC 2, and LLC 2

accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH Stock Assumed Obligations" and such rights, the "MOTH Stock Assumed Rights");

WHEREAS, on or prior to the date hereof: (i) MOTH contributed (the "MOTH TWE Contribution") the MOTH TWE Interest to TWE Holdings III LLC ("LLC 3"), a Delaware limited liability company and a wholly owned subsidiary of MOTH, and LLC 3 succeeded to the rights, and agreed to assume the obligations, of MOTH under the TWE Partnership Agreement; (ii) concurrent with the MOTH TWE Contribution, MOTH or one or more of its affiliates assigned all applicable rights and obligations relating to the MOTH TWE Interest under the TWE Restructuring Documents to LLC 3, and LLC 3 accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH TWE Assumed Obligations" and such rights, the "MOTH TWE Assumed Rights"); (iii) following the MOTH TWE Contribution, LLC 3 was duly converted (the "Trust 3 Conversion") into a Delaware statutory trust ("Trust III") pursuant to the LLC Act and the Act; and (iv) pursuant to the Trust 3 Conversion, (A) the limited liability company interests in LLC 3 were converted into beneficial interests in Trust III and, upon completion of the Trust 3 Conversion, 100% of such beneficial interests in Trust III were held directly by MOTH and (B) the MOTH TWE Assumed Obligations, the MOTH TWE Assumed Rights and the rights and obligations of LLC 3 under the TWE Partnership Agreement were vested in Trust III;

WHEREAS, the MOC Assumed Rights, the MOTH Stock Assumed Rights and the MOTH TWE Assumed Rights will, in the aggregate, include, without limitation, all rights of Grantor and its affiliates under the TWE Restructuring Documents with respect to registration rights and to the management and operations of TWE, MOTH or their affiliates;

WHEREAS, prior to the closing of the TWE Restructuring, the MediaOne Note Payment (as defined in the Restructuring Agreement) will occur;

WHEREAS, (A) prior to the closing of the TWE Restructuring, LLC 2 will be converted into a Delaware statutory trust ("Trust II") pursuant to the LLC Act and the Act, (B) at the request of Holdco 2, at the closing of the TWE Restructuring, Trust III will assign certain of the MOTH TWE Assumed Rights and MOTH TWE Assumed Obligations to Trust II, and Trust II will accept such assignment and assume such obligations, and (C) immediately after the foregoing assignment (or if no assignment occurs, then at the closing of the TWE Restructuring), Trust III will merge into MOTH or dissolve;

WHEREAS, the parties hereto now wish to establish the terms and conditions under which the Trust will be administered in order to effect divestiture of the Disposition Property (as defined in Section 4); and

WHEREAS, Edith E. Holiday wishes to serve as Operating Trustee of the Trust.

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

1. General Provisions.

(a) Name. The name of this trust is "TWE Holdings I Trust." The Trust's business may be conducted under the name of the Trust or any other name or names selected by the Operating Trustee.

(b) Principal Office. The principal office of the Trust shall be 801 West Street, 2nd Floor, Wilmington, Delaware 19801, or such other place within the State of Delaware as may from time to time be designated by the Operating Trustee, provided, however, that the Operating Trustee shall not locate its offices at the offices of AT&T Comcast or its affiliates, as

defined below. The Operating Trustee shall give prompt notice of any change in the address of its principal office to Grantor and the Delaware Trustee. Neither the Delaware Trustee nor the Operating Trustee shall maintain an office outside of the State of Delaware for the conduct of the business of the Trust or conduct the business of the Trust outside of the State of Delaware; provided that the Operating Trustee may from time to time conduct the business of the Trust outside of the State of Delaware if reasonably required for the conduct of such business. The Operating Trustee shall comply with such conditions relating to the immediately preceding sentence as Grantor shall reasonably request.

(c) Delaware Trustee. The address of the Delaware Trustee in Delaware is One Little Falls Centre I, Suite 210, 2711 Centreville Road, Wilmington, Delaware 19808. The Delaware Trustee is appointed to serve as the trustee of the Trust in Delaware for the sole purpose of satisfying the requirements of Section 3807 of the Act that the Trust have at least one trustee with a principal place of business in Delaware. The Delaware Trustee shall be entitled to receive customary fees for its services. It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the rights, duties or liabilities of the Operating Trustee. The rights and duties of the Delaware Trustee shall be limited to (a) accepting legal process served on the Trust in Delaware and (b) the execution of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or Grantor, it is hereby understood and agreed by the parties hereto, including Grantor, that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this

Agreement. The Delaware Trustee and the Operating Trustee are referred to herein collectively as the "Trustees" and each individually as a "Trustee."

(d) Declaration of Trust. The Delaware Trustee and the Operating Trustee each hereby declares that it will hold the assets of the Trust in trust upon and subject to the conditions set forth herein for the benefit of Grantor, the holder of 100% of the beneficial interests in the Trust, and in compliance with all applicable rules, regulations and orders of the Federal Communications Commission ("FCC Regulations"). It is the intention of the parties hereto that the Trust be a statutory trust under the Act. The Delaware Trustee and the Operating Trustee are hereby authorized to execute any amendment or restatement of the Certificate of Trust so long as such amendment or restatement is not inconsistent with the provisions hereof. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company.

(e) No Individual Ownership. Title to all of the assets of the Trust shall be vested in the Trust until the Trust dissolves or is converted in accordance with Section 13 hereof; provided, however, if the applicable laws of any jurisdiction require that title to any part of the assets of the Trust be vested in a trustee of the Trust, then title to that part of the assets of the Trust shall be vested in the Operating Trustee to the extent so required, but the beneficial interest with respect to such asset shall remain in the Trust for the benefit of the Trust beneficiaries.

(f) Tax Treatment. The parties hereby agree that the Trust shall be treated as a "grantor trust" or, in the event the Trust shall be engaged in the conduct of a business for profit, as a business entity that is disregarded as separate from Grantor for purposes of the U.S. Federal, state and local tax laws, and further agree: (i) not to take any position (or cause the Trust to do

so), in a tax return or otherwise, or take any other action, that is inconsistent with such treatment; and (ii) to take all commercially reasonable actions necessary to cause the Trust to be so treated.

2. Contribution to the Trust.

(a) The date on which the MOC TWE Contribution and the Trust 1 Conversion were completed is referred to in this Agreement as the "Contribution Date".

(b) Following the Contribution Date and during the Trust Term (as defined in Section 3), except as otherwise provided by this Agreement, the Trust shall have legal and record ownership of the MOC TWE Interest and all other assets constituting Disposition Property (as defined in Section 4).

(c) Grantor represents and warrants to the Operating Trustee that: (i) the MOC TWE Contribution was effected in accordance with applicable FCC Regulations; (ii) as of the Contribution Date, Grantor had full right and legal authority to effect the MOC TWE Contribution as described herein; (iii) as of the Contribution Date, the MOC TWE Interest was not subject to any liens or other encumbrances (other than as created by, or permitted under, this Agreement, the TWE Restructuring Documents or the TWE Partnership Agreement); and (iv) all consents, waivers and approvals of the Federal Communications Commission ("FCC") and third parties necessary for the MOC TWE Contribution have been received and are in full force and effect.

(d) If any additional interest in TWE is acquired by AT&T Comcast or any of its subsidiaries during the Trust Term, AT&T Comcast shall cause such interest to be contributed to the Trust and become property of the Trust or, if AT&T Comcast so elects, AT&T Comcast may cause such additional interest to be contributed to, and become property of, Trust III or (following its formation) Trust II. Except as provided herein, no other property may be

contributed to the Trust by any party without the prior written agreement of the Operating Trustee.

3. Term of the Trust and Irrevocability. The Trust shall be irrevocable by Grantor and shall have a term that expires at such time as the Trust terminates in accordance with the provisions of Section 13 (the "Trust Term").

4. Operating Trustee Control of the Disposition Property. The Operating Trustee shall have sole and exclusive authority to manage: (a) the MOC TWE Interest; (b) any additional TWE interest subsequently contributed to the Trust; (c) any Restricted Consideration (as defined in Section 5(c)) received by the Trust; and (d) any other non-cash consideration received by the Trust in an Alternate Disposition (as defined in Section 5(c)) or as a dividend or distribution on securities or ownership interests held by the Trust and not approved by the Media Bureau (as defined in Section 5(e)) for distribution to Grantor in accordance with Section 5(e) or 6(b), respectively, (such TWE interests, Restricted Consideration and other non-cash assets received by the Trust and not approved for distribution, collectively, the "Disposition Property"), and to exercise any and all rights with respect to any Disposition Property including, without limitation, the MOC Assumed Rights and the right to exercise any voting, director appointment, consent, approval or management rights arising from the Disposition Property under the TWE Partnership Agreement, in a manner intended to maximize the value of the Disposition Property. Without limiting the foregoing, Grantor or its affiliates will, upon or prior to the Closing, cause the representatives appointed by Grantor (or any of its affiliates) to the TWE board of representatives to resign and, subsequent to such resignations, the Operating Trustee will exercise any right to appoint replacement representatives when, in the Operating Trustee's judgment, doing so is necessary to protect the value of any Disposition Property.

Grantor shall not retain any voting, director appointment, consent, approval or management rights with respect to the Disposition Property. Grantor shall not have any rights to require the Operating Trustee to consult with Grantor or its affiliates with respect to the exercise of such rights, and the Operating Trustee shall not consult with Grantor with respect to such rights. As used herein, the term "affiliates" shall have the definition adopted in 47 U.S.C. ss. 153(1), provided however, that for purposes of this Agreement (i) neither the Trust nor any of its subsidiaries shall be deemed to be an affiliate of Grantor or of any of Grantor's affiliates, and (ii) neither MOTH nor any of its subsidiaries shall be deemed to be an affiliate of Grantor or of any of Grantor's affiliates after the closing of the TWE Restructuring. The Trust shall retain and hold, and the Operating Trustee shall manage, the Disposition Property in accordance with, and subject to, the terms and conditions set forth in this Agreement, the TWE Partnership Agreement, the TWE Restructuring Documents to the extent the Trust is a party thereto or is otherwise bound thereby, and any other applicable constitutional document or other agreement setting out rights and responsibilities with respect to any Disposition Property entered into in connection with an Alternate Disposition, Public Sale or Private Sale (collectively, the "Governing Agreements"). The Operating Trustee shall have the authority to sell, transfer, assign, pledge or otherwise dispose of or encumber the Disposition Property only to the extent and in the manner provided in the Governing Agreements. The Operating Trustee shall cause the Trust to comply with the applicable terms of the Governing Agreements.

5. Divestiture of the Disposition Property.

(a) The Operating Trustee shall, in accordance with the terms of this Agreement, divest the Disposition Property. Subject to compliance by the Operating Trustee with its obligations under this Agreement, the decision to divest part or all of the Disposition

Property shall be made by the Operating Trustee in its sole discretion. Subject to Section 5(c), Grantor shall not take any action to block a sale by the Operating Trustee on any grounds other than the Operating Trustee's Malfeasance (as defined in Section 7(h)).

(b) During the period commencing with the Closing and ending five (5) years thereafter (the "5-Year Period"), except as otherwise provided herein, the Operating Trustee shall pursue such registration rights as are available with respect to all or any portion of the Disposition Property pursuant to the TWE Partnership Agreement, the TWE Restructuring Documents or otherwise, in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. The Operating Trustee shall have complete authority to prosecute such registration rights, including authority to engage in such litigation as may be necessary. In addition, if any of the Disposition Property is saleable in the public market either under an already effective registration statement or without the requirement of a registration statement under Federal or state securities laws, then the Operating Trustee may also seek to effect a sale pursuant thereto in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. A sale by the Operating Trustee in the manner permitted in this Section 5(b) is referred to herein as a "Public Sale." The Operating Trustee shall not otherwise have the power to dispose of any of the Disposition Property during the 5-Year Period, except pursuant to one or more Alternate Dispositions or Private Sales (as defined in Section 5(g)), or as provided in Section 13.

(c) Notwithstanding the foregoing, at any time during the 5-Year Period, Grantor may propose any one or more Alternate Dispositions (as defined below) with respect to

all or part of the Disposition Property, which the Operating Trustee shall be obligated to use reasonable best efforts to cause the Trust to effect (including by becoming a party to agreements related thereto, subject to appropriate indemnification from Grantor and its affiliates), unless such Alternate Disposition is withdrawn by Grantor. If necessary to effect an Alternate Disposition, the Operating Trustee will discontinue (and will not initiate) any efforts to effect a Public Sale, if inconsistent with the terms of such Alternate Disposition, until the Alternate Disposition is closed or terminated without closing. The following types of transactions or combinations thereof constitute "Alternate Dispositions":

(i) A sale or other transfer to any person or persons unaffiliated with Grantor for cash.

(ii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for any consideration other than cash, provided it is not for Restricted Consideration. "Restricted Consideration" is an interest in AOL Time Warner or an entity that, directly or indirectly, owns interests in cable systems or cable programming networks which are attributable under then current FCC Regulations to AOL Time Warner.

(iii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for Restricted Consideration. For the avoidance of doubt, the conversion of TWE to a corporation in connection with the registration rights process under the TWE Partnership Agreement, and the TWE Restructuring, each would be deemed to be an Alternate Disposition for Restricted Consideration.

(iv) A transaction: (A) with any person or persons unaffiliated with Grantor; (B) which involves a security linked to any of the Disposition Property or a security that would be deemed to be a "derivative security" (as defined in Rule 16a-1(c) under the Securities Exchange Act of 1934, as amended) with respect to any of the Disposition Property, or (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of any of the Disposition Property, including, without limitation, any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction; (C) which has a term ending no more than five (5) years following the Closing; and (D) pursuant to which the Trust receives cash and retains an economic interest equal to no more than 20% of the risk of loss or opportunity for gain or an economically equivalent combination of risk of loss and opportunity for gain; provided, however, that any such transaction shall have economics similar to a collar and the spread on the collar shall include the trading price of the relevant Disposition Property on the day the transaction is entered into (a "Derivative Transaction").

(d) For the avoidance of doubt, Disposition Property shall, unless divested by the Trust in accordance with this Section 5, be retained by the Trust and not distributed to Grantor or its affiliates, except as provided pursuant to Section 13.

(e) In the event that all or part of the Disposition Property is divested in an Alternate Disposition in return for any consideration that does not constitute Restricted Consideration, the following shall apply: (i) cash consideration will be distributed to Grantor, in

accordance with Section 6; and (ii) non-cash consideration will remain in the Trust as Disposition Property unless its distribution to Grantor is approved by the FCC's Media Bureau (the "Media Bureau"). The Operating Trustee will promptly file a written request with the Media Bureau, styled as a "Request to Distribute Non-Cash, Non-Restricted Consideration," seeking approval to distribute any such non-cash consideration that it receives to Grantor. The distribution of such non-cash consideration to Grantor shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 30 days of receipt of such notice from the Operating Trustee, that it objects to such distribution, provided however, that the Media Bureau may, by written notice to the Operating Trustee, extend the 30 day period for an additional 30 days if necessary to complete its review, in which case the distribution will be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 60 days of its receipt of the Operating Trustee's request, that it objects to the proposed distribution. If the Media Bureau objects to the distribution of any non-cash consideration within 30 days of notice from the Operating Trustee (or, in the event the Media Bureau's review period is extended as provided herein, within 60 days of the Operating Trustee's notice), then such non-cash consideration shall constitute Disposition Property and shall be retained by the Trust. If at any time after an Alternate Disposition any Restricted Consideration received in such Alternate Disposition ceases to be Restricted Consideration, the consideration will be treated as set forth in this Section 5(e) with respect to consideration that is not Restricted Consideration.

(f) Following an Alternate Disposition, and subject to the limitations contained in Section 5(g), the Operating Trustee will retain the power for the remainder of the 5-Year Period to dispose of in a Public Sale any remaining Disposition Property, other than that which is the subject of a Derivative Transaction, in a manner intended to maximize the value

received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period and subject to the provisions of the Governing Agreements. Following an Alternate Disposition which is a Derivative Transaction, the Operating Trustee will not take any action during the 5-Year Period (or, if shorter, during the period of time such Disposition Property is the subject of the Derivative Transaction) to effect a Public Sale of that part of the Disposition Property which is the subject of the Derivative Transaction, without the consent of Grantor.

(g) The Operating Trustee acknowledges that the registration rights process currently provided for in the TWE Partnership Agreement has been suspended. Grantor represents to the Operating Trustee that the Restructuring Agreement provides that in the event of termination of the Restructuring Agreement, the registration rights process in effect at the time of the execution of the Restructuring Agreement will be reinstated at the same point at which it was suspended (with the general rule being that the appraisal previously completed in connection with such process shall be prepared again and, in the event the investment banking firm that conducted such earlier appraisal is not at such time eligible to be engaged, a new investment banking firm will have to be selected and engaged, provided that in certain exceptional circumstances the existing appraisal may be used). The Operating Trustee shall take all actions necessary to implement the TWE Restructuring in accordance with the terms of the TWE Restructuring Documents, will abide by the TWE Restructuring Documents as if it were a party thereto, and will not take any action that would result in a breach of the TWE Restructuring Documents by Grantor or any of its affiliates. The Operating Trustee further agrees that, following the closing of the TWE Restructuring, it will dispose of any consideration received and assets retained in connection with the TWE Restructuring in a manner consistent with the

terms of this Agreement and the TWE Restructuring Documents, provided that following the closing of the TWE Restructuring:

(i) The Operating Trustee will not take any action during the 90-day period following the closing of the TWE Restructuring to dispose of any publicly traded common stock of AOL Time Warner held by the Trust in a Public Sale, unless so requested by Grantor;

(ii) The Operating Trustee will not take any action during the 180-day period following the closing of the TWE Restructuring to effect any initial public offering of stock in MOTH, which as a result of the TWE Restructuring will become a subsidiary of AOL Time Warner and will hold a majority interest in TWE and certain other assets, pursuant to any applicable registration rights, unless so requested by Grantor; and

(iii) If: (A) the consideration received or assets retained by the Trust in the TWE Restructuring includes a partnership interest in TWE; (B) the TWE Partnership Agreement (as amended and restated in connection with the TWE Restructuring) or any other TWE Restructuring Document restricts the rights of Grantor or the Trust to sell or otherwise transfer such partnership interest for a period of time following the closing of the TWE Restructuring not to exceed two years; (C) such amended and restated TWE Partnership Agreement (or a related agreement) provides procedures for the private sale of such partnership interest after such two year period; and (D) within three years following the closing of the TWE Restructuring Grantor has not elected to have the Trust effect such a private sale as an Alternate Disposition; then the Operating Trustee shall have the right

following such three year period (and not prior thereto) to effect such a private sale pursuant to such provisions (such a sale of such partnership interest pursuant to such provisions, a "Private Sale"). For the avoidance of doubt, the term "Private Sale" may include a sale to MOTH or AOL Time Warner pursuant to an appraisal process set forth in a TWE Restructuring Document.

(h) Neither Grantor nor any of its affiliates will be permitted to be a purchaser in a Public Sale or a Private Sale or a counterparty in a Derivative Transaction.

(i) If any of the Disposition Property remains at the end of the 5-Year Period, the Operating Trustee will have the authority and be directed to divest whatever portion of the interest remains as quickly as possible, and in all events within six (6) months thereafter.

(j) The Operating Trustee shall not divest all or part of the Disposition Property until all necessary governmental approvals, if any, have been received.

6. Distribution of Proceeds of Sale; Dividends.

(a) In the event of any disposition involving all or part of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt: (i) any cash; and (ii) following approval by the Media Bureau pursuant to Section 5(e), any assets which do not constitute Restricted Consideration. Such amounts may be reduced by the amount of fees or expense reimbursements then owed by Grantor to the Trustees.

(b) In the event that dividends or distributions are paid in respect of any portion of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt any such dividends or distributions to the extent they consist of: (i) any cash; or (ii) following approval by the Media Bureau pursuant to the procedure described in Section 5(e), any assets which do not constitute Restricted Consideration.

7. Trustee Obligations, Fees and Indemnification.

(a) The Trust shall be administered by the Operating Trustee in accordance with the provisions of this Agreement and applicable FCC Regulations.

(b) The Operating Trustee shall maintain such records, files and books as the Operating Trustee, in the Operating Trustee's reasonable discretion, deems necessary or appropriate to enable the Operating Trustee to carry out the terms and conditions of this Agreement and to record the actions taken by the Operating Trustee in the performance of the Operating Trustee's duties under this Agreement.

(c) The Operating Trustee is expressly authorized to incur and obligate Grantor to pay all charges, taxes and other expenses that are reasonable, necessary and proper in connection with the preparation, execution and delivery of this Agreement and the performance by the Operating Trustee of its duties under this Agreement. Grantor shall pay directly all such charges, taxes and expenses or reimburse the Operating Trustee therefor within thirty (30) days after receipt of the Operating Trustee's notice and documentation under Section 7(e).

(d) In compensation for the Operating Trustee's services under this Agreement, Grantor will pay the Operating Trustee customary fees for the time that the Operating Trustee spends in connection with the formation and administration of the Trust. All such fees shall become due and payable within thirty (30) days after the Operating Trustee has given notice thereof to Grantor under Section 7(e).

(e) The Operating Trustee shall provide timely and adequate written notice to Grantor (no more frequently than once each month) specifying in reasonable detail: (i) the charges, taxes and other expenses to be paid directly by Grantor to third parties or for which

Grantor shall reimburse the Operating Trustee (together with customary supporting documentation); and (ii) the fees due to be paid to the Operating Trustee.

(f) The Operating Trustee shall provide to Grantor: (i) within fifteen (15) days of receipt thereof, any accountings received by the Operating Trustee with respect to the operations of TWE or any other issuer of securities comprising Disposition Property, except to the extent disclosure of such information to Grantor is prohibited by the terms of Section 12; and (ii) within fifteen (15) days of receipt of a written request by Grantor, an accounting of the expenses of the Operating Trustee incurred directly or by third parties for the performance of services to the Operating Trustee in connection with the performance of the Operating Trustee's duties under this Agreement.

(g) Except as specifically provided in this Agreement, the Operating Trustee shall not be entitled to any other fee or other payment hereunder or otherwise, including any termination fee.

(h) Grantor hereby agrees to indemnify each Trustee and hold each Trustee harmless against all claims, actions, proceedings, suits, costs of defense (including reasonable and customary attorneys' and accountants' fees and disbursements), expenses, liabilities, judgments, damages, awards and settlements asserted against or incurred by such Trustee in connection with, or in any way arising directly or indirectly from, the performance by such Trustee of its duties under this Agreement, including claims and liabilities arising from any actions taken by the Operating Trustee in furtherance of its obligation to sell as quickly as possible any of the Disposition Property that remains after the 5-Year Period, provided that the indemnification provided for in this Section 7(h) shall not apply to any claims or liabilities arising from such Trustee's Malfeasance. For purposes of this Agreement, a Trustee's

"Malfeasance" shall mean such Trustee's bad faith, gross negligence, willful misconduct or other action inconsistent with the terms of this Agreement or any of the other Governing Agreements.

(i) Except as incurred as a result of such Trustee's Malfeasance, a Trustee shall not be liable with respect to actions taken by it in reliance upon any paper, document or signature reasonably believed by such Trustee to be genuine and to have been signed by the proper party that is not in fact genuine. A Trustee shall not be liable for any error of judgment in any act done or omitted, nor for any mistake of fact or law, nor for anything which such Trustee may do or refrain from doing in accordance with this Agreement, absent such Trustee's Malfeasance. A Trustee may consult with accountants, attorneys and other advisors, and any action taken in accordance with the advice of such advisor shall be presumptively done in good faith.

(j) The Operating Trustee shall have no duty or liability to Grantor with respect to any change in the value of any of the Disposition Property resulting from TWE's operations or otherwise (except for the Operating Trustee's Malfeasance) during the Trust Term.

(k) Neither Trustee shall be required to furnish a bond or other security in any jurisdiction for the faithful performance of such Trustee's duties.

(l) Except where the provision of Section 5(i) applies, the Operating Trustee shall manage the property of the Trust, consistent with the terms of this Agreement, in a manner intended to maximize the value of the properties of the Trust, Trust II and Trust III, taken as a whole, and the Trust, Trust II and Trust III shall cooperate with each other in connection with any transaction by any of them.

(m) The Trustee shall assist Grantor and Grantor's affiliates and shall cooperate fully in all tax matters relating to the Trust or its assets, including, without limitation,

in connection with the preparation and filing of any tax returns or reports which Grantor or any of Grantor's affiliates is required to prepare or file with respect to the Trust or its assets.

8. Trustee Selection. The Delaware Trustee, and any successor Delaware Trustee, shall be either a natural person who is a resident of the State of Delaware or a legal entity having its principal place of business in the State of Delaware, in each case appointed by Grantor. The Operating Trustee shall be appointed by Grantor after approval by the Media Bureau. Each of Trust I, Trust II and Trust III shall have the same operating trustee and the same Delaware trustee, respectively. No Trustee may be a director, officer, manager, agent or employee of Grantor or its affiliates immediately prior to or at any time while serving as Trustee, nor may any Trustee have any extratrust business, personal or familial relationship with Grantor or its affiliates while serving as Trustee that is inconsistent with any applicable FCC Regulations. In the event that a Trustee enters into any relationship prohibited by this Section 8 at any time while serving as Trustee, such Trustee shall resign in the manner provided in Section 9.

9. Trustee Removal, Resignation, and Replacement.

(a) Grantor may not remove or replace a Trustee at will.

(b) The rights and duties of the Trustees hereunder (other than a Trustee's rights to receive payments to the extent accrued prior to termination and to be indemnified hereunder) shall terminate upon such Trustee's incapacity to act, death or bankruptcy or other insolvency. No interest in the Disposition Property, nor any of the rights and duties of an incapacitated, deceased, bankrupt or insolvent Trustee, may be transferred by such Trustee by will, devise, succession or in any other manner except as provided in this Agreement.

(c) A Trustee may resign by giving thirty (30) days advance written notice of resignation to Grantor, provided that such Trustee agrees that any such resignation shall not become effective until a successor Trustee has been appointed.

(d) In the event of a Trustee's resignation, incapacity to act, death or bankruptcy or other insolvency, such Trustee shall be succeeded by a successor Trustee chosen by Grantor in compliance with FCC Regulations and the terms of this Agreement. Any successor Trustee shall succeed to all of the rights and obligations of the Trustee replaced hereunder upon execution by such successor Trustee of a counterpart of this Agreement. A successor Trustee shall not be liable for breaches of this Agreement committed by a predecessor Trustee.

(e) Notwithstanding any other provision of this Section 9, a Trustee that resigns or is removed as trustee of Trust II or Trust III (other than upon termination of such trust) shall likewise resign or be removed as Trustee of the Trust.

10. Trustee Advisors.

(a) The Operating Trustee shall have the right to retain such accountants, attorneys, investment bankers, managing underwriters and other advisors (collectively, "Advisors") as are necessary or appropriate to enable the Operating Trustee to perform in a prudent and competent manner the duties and obligations of the Operating Trustee under this Agreement; provided, however, that: (i) the fees and expenses of such Advisors shall be reasonable and customary; and (ii) such Advisors do not have any material business relationship with AOL Time Warner during the term of the Trust. In order to facilitate an expeditious divestiture, the Operating Trustee may retain any Advisors retained prior to the Contribution Date by AT&T, Comcast or their respective affiliates, provided, however, that: (i) such Advisors

are solely accountable to the Operating Trustee in respect of advice or services rendered to the Operating Trustee in connection with divestiture of any Disposition Property; and (ii) such Advisors shall not continue to represent AT&T Comcast or its affiliates in connection with divestiture of such Disposition Property. The Operating Trustee shall be required to provide Grantor with notice and documentation of fees and expenses incurred in connection with the retention of Advisors pursuant to this Section 10(a).

(b) Grantor and its affiliates also shall have the right to retain Advisors to assist the Operating Trustee's Advisors with the divestiture of the Disposition Property (including any Advisors retained by AT&T or Comcast prior to the Contribution Date, to the extent they have not been retained by the Operating Trustee pursuant to the previous subsection); provided, however, that the Operating Trustee shall be free to accept or reject any advice offered by such Advisors and shall be privy to any instructions that Grantor may give to such Advisors, and provided further, that, for avoidance of doubt, the Grantor's Advisors may communicate with the Operating Trustee's Advisors, but shall not communicate directly with the Operating Trustee except in the presence of Grantor and Operating Trustee's Advisors.

(c) The Operating Trustee shall direct any Advisors that it retains, and Grantor shall direct any Advisors that it retains, with regard to the divestiture of the Disposition Property, to take appropriate steps to ensure that such Advisors do not act as a conduit for communications between the Operating Trustee and Grantor that are otherwise prohibited under the terms of this Agreement.

11. Grantor Involvement in TWE Management. Except as provided in Section 12(a), Grantor and its affiliates shall not have an interest in, control of or involvement in the operation or management of TWE, or seek to influence the operation or management of TWE or any cable

system in which TWE has an interest, other than Kansas City Cable Partners and Texas Cable Partners, L.P., on account of AT&T Comcast's 50% general partnership interest therein which is held outside of TWE, provided that Grantor and its affiliates shall not: (i) receive information from Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that TWE, or any affiliate of AOL Time Warner that is a successor to TWE's interest in Kansas City Cable Partners or Texas Cable Partners, L.P. or any of TWE's or such successor's affiliates (other than Kansas City Cable Partners or Texas Cable Partners, L.P. or any of their subsidiaries), negotiates for carriage of video programming on the cable systems owned by Kansas City Cable Partners or Texas Cable Partners, L.P.; or (ii) provide information to Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that Grantor or its affiliates negotiate for the carriage of video programming on the cable systems owned by Grantor or its affiliates. For purposes of this Section 11, the term "TWE" shall include TWE and any other issuer of securities or ownership interests constituting Disposition Property. This Section 11 will cease to apply with respect to Kansas City Cable Partners or Texas Cable Partners, L.P., as the case may be, at such time as neither TWE nor any other affiliate of AOL Time Warner owns any interest in such entity.

12. Communications.

(a) Communications Regarding Operation and Management of TWE.

(i) The Operating Trustee shall not provide any information to Grantor concerning the operation or management of TWE or the operation or management of the cable systems in which TWE has a direct or indirect interest, except that the Operating Trustee shall use its reasonable best efforts to obtain and provide Grantor with financial statements and tax information with respect to

TWE and the MOC TWE Interest as and when furnished by TWE and as required by Grantor or its affiliates for compliance with securities and tax laws, rules and regulations, or other applicable legal or regulatory requirements. None of Grantor, or any of its affiliates, or any of its or their officers, directors or employees, shall communicate with the Operating Trustee, directly or indirectly, including indirectly through their Advisors, regarding the operation or management of TWE or the operation or management of any cable system in which TWE has an interest.

(ii) The Operating Trustee shall have such access to Grantor and its affiliates' personnel, books, records and facilities related to the Disposition Property as may be reasonably necessary for the Operating Trustee to fulfill its obligations hereunder.

(iii) Any communications between the Operating Trustee and Grantor or its affiliates permitted by this subsection (a) shall be in writing.

(b) Communications Regarding Public Sale, Private Sale or Alternate Disposition. The Operating Trustee and Grantor and its affiliates may engage in communications in order to facilitate divestiture of the Disposition Property through any Public Sale, Private Sale or Alternate Disposition. The Operating Trustee shall provide periodic reports (no less frequently than quarterly during the 5-Year Period and no less frequently than monthly thereafter) to Grantor (with a copy to the Media Bureau) describing the Operating Trustee's efforts to accomplish divestiture of the Disposition Property through any Public Sale, Private Sale or Alternate Disposition, provided, however, that to the extent such reports contain information that Grantor deems confidential, such reports shall be provided to the Media Bureau

only after such confidential information has been redacted. In the event that such reports are provided to the Media Bureau in redacted form, the unredacted versions of such reports will be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area, and shall be made available upon request for inspection by the Media Bureau during normal business hours. Upon request by the Media Bureau, the Operating Trustee shall file the unredacted version of any such report with the Media Bureau accompanied by a request for confidential treatment. Grantor will use its reasonable best efforts, consistent with the terms of this Agreement and applicable FCC Regulations, to assist the Operating Trustee in accomplishing the divestiture of the Disposition Property, including using its reasonable best efforts to provide such information as is required by the Operating Trustee to effect such divestiture.

(c) Communications Regarding Fiduciary Matters. Communications between the Trustees and Grantor regarding the fiduciary obligations owed by the Trustees to Grantor shall be permitted at any time.

(d) The Operating Trustee shall retain copies of all written communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors. The Operating Trustee shall prepare (or, as appropriate, instruct its Advisors to prepare) and retain a contemporaneous written summary of all oral communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors, pursuant to subsections (b) and (c) of this Section 12, provided that such summary shall not be required for oral communications that are ministerial or non-substantive in nature, or are otherwise not material to the performance of the Operating Trustee's fiduciary obligations to Grantor or its efforts to (a) divest the Disposition Property or (b) effect an Alternate Disposition in accordance with the terms of this Agreement.

All written communications and summaries of oral communications shall be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area, and shall be made available upon request for inspection by the Media Bureau during normal business hours.

(e) Subject to a customary confidentiality agreement and to the terms of any other agreement to which the Trust is a party or otherwise subject, the Operating Trustee shall permit prospective purchasers of the Disposition Property in an Alternate Disposition (at the request of the Grantor) or a Private Sale (at the Operating Trustee's discretion) to have access to any and all financial or operational information to which the Operating Trustee has access, as may be relevant to divestiture of the Disposition Property.

(f) All notices, requests, consents, approvals, waivers and demands among the parties hereto (collectively, "Notices") shall be deemed to have been given if in writing and: (i) personally delivered against a written receipt; (ii) sent by confirmed telephonic facsimile; or (iii) delivered to a reputable express messenger service (such as Federal Express, DHL Courier or United Parcel Service) for overnight delivery, addressed as follows (or to such other address as such party shall have given notice to one another):

(A) If to Grantor:

MOC Holdco I, Inc.
1201 N. Market Street
Suite 1405
Wilmington, DE 19801
Attn: Abe Patlov, President
Fax: 302-658-1600

(B) If to the Operating Trustee:

Edith E. Holiday
801 West Street
2nd Floor
Wilmington, DE 19801
Fax:

(C) If to the Delaware Trustee:

The Capital Trust Company
of Delaware
One Little Falls Centre I
Suite 210
2711 Centreville Road
Wilmington, DE 19808
Attn: Corporation Trust and Transaction Services
Fax: 302-636-8585

The period in which a response to any such Notice must be given shall commence to run from the date of the receipt of a personally delivered Notice, or the date of confirmation of a telephonic facsimile, or two (2) days following the proper delivery of the Notice to a reputable express messenger service, as the case may be.

(g) For purposes of this Section 12, the term "TWE" shall include TWE and any other issuer of securities or ownership interests constituting Disposition Property and the term "MOC TWE Interest" shall include the MOC TWE Interest and any other Disposition Property.

13. Termination.

(a) Subject to the provisions of Section 17(e), the Trust shall dissolve upon written election by Grantor delivered to the Trustees, provided that one of the following events has occurred (any such event, a "Dissolution Event"):

(i) divestiture of all of the Disposition Property and the payment of all proceeds to the order of Grantor with respect to such divestiture, in the manner provided in Sections 5(e) and 6(a);

(ii) expiration of the six-month period following the 5-Year Period, provided, however, that if any portion of the Disposition Property remains in the

Trust at the expiration of the six-month period following the 5-Year Period, the Trust will continue until the FCC either approves the dissolution of the Trust or the remainder of the Disposition Property has been divested and all proceeds due to the order of Grantor with respect to such divestiture have been paid, in the manner provided in Sections 5(e) and 6(a); or

(iii) AT&T Comcast ceases directly or indirectly to own any beneficial interest in the Trust.

(b) Upon dissolution of the Trust, the Operating Trustee shall take such action as is necessary or appropriate to deliver to the order of Grantor, or such other party designated by Grantor in writing to the Operating Trustee, all property then held by the Trust or the Operating Trustee on behalf of the Trust pursuant to this Agreement, subject to satisfaction (whether by payment or reasonable provision therefor) of claims of all creditors of the Trust (other than Grantor) including, without limitation, the Trustees. The Operating Trustee shall have a reasonable period to conclude the administration of the Trust, and shall be compensated for all reasonably necessary services performed after the dissolution date. Following completion by the Operating Trustee of the actions required by this Section 13(b), the Operating Trustee shall provide written notice to Grantor and, upon written request of Grantor, the Trustees shall terminate the legal existence of the Trust by canceling the Certificate of Trust in accordance with the Act.

(c) Notwithstanding any other provision of this Section 13, upon a Dissolution Event, Grantor may elect, in lieu of dissolving the Trust, to terminate this Agreement and to convert the Trust into a Delaware limited liability company, Delaware corporation or other legal entity, which conversion shall be upon such terms as Grantor shall deem appropriate;

provided that upon completion of such conversion all rights, obligations, assets and liabilities of the Trust remain, under applicable law, rights, obligations, assets and liabilities of the entity so created. The Trustees shall cooperate with Grantor in connection with the foregoing.

(d) At any time, subject to the Governing Agreements, Grantor may cause the Trustees to merge the Trust with Trust II or Trust III, or to transfer all of the assets and liabilities of the Trust (including, without limitation, the Disposition Property) to Trust II or Trust III, or to accept a transfer of all of the assets and liabilities of Trust II or Trust III to the Trust; provided that, in each case and to the extent required under the Governing Agreements, the successor or transferee trust shall assume the obligations of the merged or transferor trust under the Governing Agreements (other than the Declaration of Trust of the merged or transferor trust). For purposes of this Section 13(d), the term "Governing Agreements" includes the "Governing Agreements" as defined in this Agreement and in the Declaration of Trust of the successor or transferee, or merged or transferor, trust, as the case may be.

14. Modification. This Agreement shall not be modified except by an instrument in writing executed by Grantor and the Operating Trustee; provided that the rights, duties, responsibilities and compensation of the Delaware Trustee shall not be changed without the prior written consent of the Delaware Trustee. No modifications of this Agreement, except for modifications that are insubstantial and immaterial, shall be made unless approved by the Media Bureau. A request for approval of a modification of this Agreement shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 14 days of receipt of such request from the Operating Trustee, that it objects to such modification. A copy of any insubstantial and immaterial modification in the Trust shall be filed with the FCC within ten days following the execution thereof, with a copy to the Media Bureau.

The parties shall cooperate in the modification of this Agreement in the event changes or modifications are needed in order to bring this Agreement and the transactions contemplated hereby into compliance with applicable FCC Regulations or other applicable laws.

15. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. Subject to the power to delegate the performance of ministerial responsibilities hereunder as deemed necessary by the Operating Trustee, this Agreement shall not be assignable by the Trustees. Grantor shall be entitled to assign its rights hereunder to AT&T Comcast or any subsidiary thereof or any person who becomes the direct or indirect beneficial owner of the Disposition Property as a result of a merger or transfer of all or substantially all the assets of AT&T Comcast or any of its subsidiaries.

16. Confidentiality. This Agreement and all matters concerning the performance, enforcement and interpretation hereof shall be kept in strict confidence by the parties, except where disclosure is required by law, rule or regulation (including the Federal securities laws or FCC Regulations), to carry out the express purposes and terms of this Agreement, or in connection with any claims or actions relating to this Agreement.

17. Miscellaneous.

(a) If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining part of said provision or the remaining provisions of this Agreement.

(b) The headings of the sections and subsections of this Agreement are inserted for convenience of reference only and do not form a part or affect the meaning hereof.

(c) This Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (not including the choice of law rules thereof).

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

(e) The provisions of Sections 7, 12(f), 14, 15, 16 and 17 shall remain in effect, and shall survive, any termination of the Trust.

(f) The failure of Grantor or a Trustee to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision.

(g) This Agreement, together with the Certificate of Trust, is the complete and exclusive agreement between the parties with respect to the creation, operation and termination of the Trust, superseding and replacing any and all prior agreements, communications and understandings, written or oral, regarding such Trust.

(h) Neither Trustee shall have any duty or other obligation to pay, provide or arrange for the provision of funds necessary to perform such Trustee's duties under this Agreement, other than the provision of the written notices to Grantor pursuant to Section 7 hereof. Neither Trustee shall have any personal liability for the payment of any Trust expense or obligation to third parties whatsoever.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

MOC HOLDCO I, INC.

By: -----

Name:

Title:

Edith E. Holiday

THE CAPITAL TRUST COMPANY OF
DELAWARE

By: -----

Name:

Title:

AGREEMENT AND DECLARATION OF TRUST

This agreement and declaration of trust ("Agreement") is entered into as of [date] by and among MOC Holdco II, Inc. ("Grantor"), a Delaware corporation and an indirect wholly-owned subsidiary of AT&T Comcast Corporation ("AT&T Comcast"), Edith E. Holiday, an individual with an office in Wilmington, Delaware, as operating trustee hereunder (the "Operating Trustee"), and The Capital Trust Company of Delaware, a Delaware trust company, as Delaware trustee hereunder (the "Delaware Trustee").

WHEREAS, the Agreement and Plan of Merger dated as of December 19, 2001, as amended, among AT&T Corp. ("AT&T"), Comcast Corporation ("Comcast"), AT&T Comcast and the other parties thereto provides for the spin-off of AT&T Broadband Corp. ("AT&T Broadband"), a wholly-owned subsidiary of AT&T, and the subsequent mergers of wholly-owned subsidiaries of AT&T Comcast with and into AT&T Broadband and Comcast, respectively (such transactions, the "AT&T Comcast Transaction");

WHEREAS, upon the closing of the AT&T Comcast Transaction (the "AT&T Comcast Transaction Closing"), MediaOne of Colorado, Inc. ("MOC"), a Colorado corporation, an indirect parent of Grantor and an indirect wholly-owned subsidiary of AT&T Broadband, became an indirect wholly-owned subsidiary of AT&T Comcast;

WHEREAS, AT&T Broadband indirectly holds partnership interests in Time Warner Entertainment Company, L.P., a Delaware limited partnership ("TWE"), which prior to the transactions described in the recitals below were held as follows: (i) a partnership interest representing approximately 2.86% of the pro rata senior priority (Series A) capital and residual equity capital of TWE (the "MOC TWE Interest") was held by MOC; and (ii) a partnership interest representing approximately 24.78% of the pro rata senior priority (Series A) capital and

residual equity capital of TWE (the "MOTH TWE Interest") was held by MediaOne TWE Holdings, Inc. ("MOTH"), a Delaware corporation and at such time a direct wholly-owned subsidiary of MOC;

WHEREAS, TWE, AT&T, MOC, MOTH, Comcast, AT&T Comcast, AOL Time Warner Inc. ("AOL Time Warner") and certain other parties have entered into the Restructuring Agreement dated as of August 20, 2002 (as it may be amended, the "Restructuring Agreement" and, together with the other Transaction Agreements, the Engagement Letter, the Confidentiality Agreements and the Letter Agreements (each as defined in the Restructuring Agreement), the "TWE Restructuring Documents"), providing for the restructuring of TWE and certain related transactions (the "TWE Restructuring");

WHEREAS, prior to the AT&T Comcast Transaction Closing: (i) MOC contributed the MOC TWE Interest to MOC Holdco I, Inc. ("Holdco 1"), a Delaware corporation and a wholly-owned subsidiary of MOC, and Holdco 1 succeeded to the rights, and agreed to assume the obligations, of MOC under the Agreement of Limited Partnership of TWE, dated October 29, 1991, as amended (the "TWE Partnership Agreement"); and (ii) Holdco 1 contributed the MOC TWE Interest to TWE Holdings I LLC ("LLC 1"), a Delaware limited liability company and a wholly-owned subsidiary of Holdco 1, and LLC 1 succeeded to the rights, and agreed to assume the obligations of, Holdco 1 under the TWE Partnership Agreement (such contributions of the MOC TWE Interest, collectively, the "MOC TWE Contribution");

WHEREAS, concurrent with the MOC TWE Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the MOC TWE Interest under the TWE Restructuring Documents to LLC 1, and LLC 1 accepted such assignment and agreed

to assume such obligations (such obligations, the "MOC Assumed Obligations" and such rights, the "MOC Assumed Rights");

WHEREAS, following the MOC TWE Contribution and in connection with the AT&T Comcast Transaction Closing: (i) LLC 1 was duly converted (the "Trust 1 Conversion") into a Delaware statutory trust ("Trust I") pursuant to the Delaware Limited Liability Company Act (6 Del. C. ss.18-101, et seq.) (as amended from time to time and any successor to such statute, the "LLC Act") and to the Delaware Statutory Trust Act (12 Del. C. ss.3801, et seq.) (as amended from time to time and any successor to such statute, the "Act"); and (ii) pursuant to the Trust 1 Conversion, (A) the limited liability company interests in LLC 1 were converted into beneficial interests in Trust I and, upon completion of the Trust 1 Conversion, 100% of such beneficial interests in Trust I were held directly by Holdco 1 and (B) the MOC Assumed Obligations, the MOC Assumed Rights and the rights and obligations of LLC 1 under the TWE Partnership Agreement were vested in Trust I;

WHEREAS, prior to the AT&T Comcast Transaction Closing: (i) MOC contributed 100% of the capital stock of MOTH (the "MOTH Stock Interest") to Grantor (its wholly-owned subsidiary); and (ii) Grantor contributed 100% of the capital stock of MOTH to TWE Holdings II LLC ("LLC 2"), a Delaware limited liability company and a wholly-owned subsidiary of Grantor (such contributions of MOC's MOTH stock, the "MOTH Stock Contribution");

WHEREAS, concurrent with the MOTH Stock Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the direct or indirect interest of MOC in the equity of MOTH under the TWE Restructuring Documents to LLC 2, and LLC 2

accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH Stock Assumed Obligations" and such rights, the "MOTH Stock Assumed Rights");

WHEREAS, (i) prior to the AT&T Comcast Transaction Closing MOTH contributed (the "MOTH TWE Contribution") the MOTH TWE Interest to TWE Holdings III LLC ("LLC 3"), a Delaware limited liability company and a wholly-owned subsidiary of MOTH, and LLC 3 succeeded to the rights, and agreed to assume the obligations, of MOTH under the TWE Partnership Agreement; (ii) concurrent with the MOTH TWE Contribution, MOTH or one or more of its affiliates assigned all applicable rights and obligations relating to the MOTH TWE Interest under the TWE Restructuring Documents to LLC 3, and LLC 3 accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH TWE Assumed Obligations" and such rights, the "MOTH TWE Assumed Rights"); (iii) following the MOTH TWE Contribution and in connection with the AT&T Comcast Transaction Closing, LLC 3 was duly converted (the "Trust 3 Conversion") into a Delaware statutory trust ("Trust III") pursuant to the LLC Act and the Act; and (iv) pursuant to the Trust 3 Conversion, (A) the limited liability company interests in LLC 3 were converted into beneficial interests in Trust III and, upon completion of the Trust 3 Conversion, 100% of such beneficial interests in Trust III were held directly by MOTH and (B) the MOTH TWE Assumed Obligations, the MOTH TWE Assumed Rights and the rights and obligations of LLC 3 under the TWE Partnership Agreement were vested in Trust III;

WHEREAS, the MOC Assumed Rights, the MOTH Stock Assumed Rights and the MOTH TWE Assumed Rights, in the aggregate, include, without limitation, all rights of Grantor and its affiliates under the TWE Restructuring Documents with respect to registration rights and to the management and operations of TWE, MOTH or their affiliates;

WHEREAS, prior to the closing of the TWE Restructuring, the MediaOne Note Payment (as defined in the Restructuring Agreement) occurred;

WHEREAS, prior to the closing of the TWE Restructuring: (i) Grantor, as sole member of LLC 2, approved the conversion of LLC 2 into a Delaware statutory trust and approved the form of this Agreement as the governing instrument for such trust; (ii) LLC 2 was duly converted (the "Trust 2 Conversion") into a Delaware statutory trust (the "Trust") pursuant to the LLC Act and the Act by the execution and filing with the Secretary of State of the State of Delaware of a Certificate of Conversion and a Certificate of Trust; and (iii) pursuant to the Trust 2 Conversion, (A) the limited liability company interests in LLC 2 were converted into beneficial interests in the Trust and, upon completion of the Trust 2 Conversion, 100% of such beneficial interests in the Trust were held directly by Grantor and (B) the MOTH Stock Assumed Obligations and the MOTH Stock Assumed Rights were vested in the Trust;

WHEREAS, prior to the closing of the TWE Restructuring on the date hereof, a number of transactions are occurring, including: (i) [at the request of Grantor, Trust III has assigned certain of the MOTH TWE Assumed Rights and MOTH TWE Assumed Obligations to the Trust, and the Trust has accepted such assignment and agreed to assume such obligations (the "Trust III Assignment"); (ii) immediately after the Trust III Assignment (or, if there is no Trust III Assignment, then at the closing of the TWE Restructuring),] Trust III is being merged into MOTH or dissolved; ([iii]) MOTH is being renamed Time Warner Cable Inc. ("TWC"; TWC is often referred to in this document as MOTH); and ([iv]) the parties hereto are entering into this Agreement;

WHEREAS, immediately after giving effect to the TWE Restructuring, Trust II will hold (i) TWC Class A common stock that represents approximately 17.9% of the outstanding TWC

common stock (the "TWC Stock Interest") and (ii) the Specified Number (as defined in the Restructuring Agreement) of shares of AOL Time Warner common stock (such shares collectively with the TWC Stock Interest, the "Restructuring Proceeds");

WHEREAS, the parties hereto now wish to establish the terms and conditions under which the Trust will be administered in order to effect divestiture of the Disposition Property (as defined in Section 4); and

WHEREAS, Edith E. Holiday wishes to serve as Operating Trustee of the Trust.

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

1. General Provisions.

(a) Name. The name of this trust is "TWE Holdings II Trust." The Trust's business may be conducted under the name of the Trust or any other name or names selected by the Operating Trustee.

(b) Principal Office. The principal office of the Trust shall be 801 West Street, 2nd Floor, Wilmington, Delaware 19810, or such other place within the State of Delaware as may from time to time be designated by the Operating Trustee, provided, however, that the Operating Trustee shall not locate its offices at the offices of AT&T Comcast or its affiliates, as defined below. The Operating Trustee shall give prompt notice of any change in the address of its principal office to Grantor and the Delaware Trustee. Neither the Delaware Trustee nor the Operating Trustee shall maintain an office outside of the State of Delaware for the conduct of the business of the Trust or conduct the business of the Trust outside of the State of Delaware; provided that the Operating Trustee may from time to time conduct the business of the Trust outside of the State of Delaware if reasonably required for the conduct of such business. The

Operating Trustee shall comply with such conditions relating to the immediately preceding sentence as Grantor shall reasonably request.

(c) Delaware Trustee. The address of the Delaware Trustee in Delaware is One Little Falls Centre I, Suite 210, 2711 Centreville Road, Wilmington, Delaware 19808. The Delaware Trustee is appointed to serve as the trustee of the Trust in Delaware for the sole purpose of satisfying the requirements of Section 3807 of the Act that the Trust have at least one trustee with a principal place of business in Delaware. The Delaware Trustee shall be entitled to receive customary fees for its services. It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the rights, duties or liabilities of the Operating Trustee. The rights and duties of the Delaware Trustee shall be limited to (a) accepting legal process served on the Trust in Delaware and (b) the execution of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or Grantor, it is hereby understood and agreed by the parties hereto, including Grantor, that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Agreement. The Delaware Trustee and the Operating Trustee are referred to herein collectively as the "Trustees" and each individually as a "Trustee."

(d) Declaration of Trust. The Delaware Trustee and the Operating Trustee each hereby declares that it will hold the assets of the Trust in trust upon and subject to the conditions set forth herein for the benefit of Grantor, the holder of 100% of the beneficial interests in the Trust, and in compliance with all applicable rules, regulations and orders of the Federal Communications Commission ("FCC Regulations"). It is the intention of the parties

hereto that the Trust be a statutory trust under the Act. The Delaware Trustee and the Operating Trustee are hereby authorized to execute any amendment or restatement of the Certificate of Trust so long as such amendment or restatement is not inconsistent with the provisions hereof. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company.

(e) No Individual Ownership. Title to all of the assets of the Trust shall be vested in the Trust until the Trust dissolves or is converted in accordance with Section 13 hereof; provided, however, if the applicable laws of any jurisdiction require that title to any part of the assets of the Trust be vested in a trustee of the Trust, then title to that part of the assets of the Trust shall be vested in the Operating Trustee to the extent so required, but the beneficial interest with respect to such asset shall remain in the Trust for the benefit of the Trust beneficiaries.

(f) Tax Treatment. The parties hereby agree that the Trust shall be treated as a "grantor trust" or, in the event the Trust shall be engaged in the conduct of a business for profit, as a business entity that is disregarded as separate from Grantor for purposes of the U.S. Federal, state and local tax laws, and further agree: (i) not to take any position (or cause the Trust to do so), in a tax return or otherwise, or take any other action, that is inconsistent with such treatment; and (ii) to take all commercially reasonable actions necessary to cause the Trust to be so treated.

2. Contribution to the Trust.

(a) The date on which the Trust 2 Conversion was completed (i.e., the date hereof) is referred to in this Agreement as the "Contribution Date".

(b) Following the Contribution Date and during the Trust Term (as defined in Section 3), except as otherwise provided by this Agreement, the Trust shall have legal and record

ownership of the Restructuring Proceeds and all other assets constituting Disposition Property (as defined in Section 4).

(c) Grantor represents and warrants to the Operating Trustee that:

(i) the MOTH Stock Contribution and the Trust 2 Conversion were effected in accordance with applicable FCC Regulations; (ii) as of the date of the MOTH Stock Contribution and the date of the Trust 2 Conversion, Grantor had full right and legal authority to effect such action occurring on such date as described herein; (iii) immediately after the closing of the TWE Restructuring, the Restructuring Proceeds will not be subject to any liens or other encumbrances (other than as created by, or permitted under, this Agreement, the TWE Restructuring Documents or as arising under securities laws of general applicability); and (iv) all consents, waivers and approvals of the Federal Communications Commission ("FCC") and third parties necessary for the MOTH Stock Contribution and the Trust 2 Conversion have been received and are in full force and effect.

(d) If any additional interest in TWC or AOL Time Warner is acquired by AT&T Comcast or any of its subsidiaries during the Trust Term, AT&T Comcast shall cause such interest to be contributed to the Trust and become property of the Trust or, if AT&T Comcast so elects, AT&T Comcast may cause such additional interest to be contributed to, and become property of, Trust I. Except as provided herein, no other property may be contributed to the Trust by any party without the prior written agreement of the Operating Trustee.

3. Term of the Trust and Irrevocability. The Trust shall be irrevocable by Grantor and shall have a term that expires at such time as the Trust terminates in accordance with the provisions of Section 13 (the "Trust Term").

4. Operating Trustee Control of the Disposition Property. The Operating Trustee shall have sole and exclusive authority to manage: (a) the Restructuring Proceeds; (b) any

additional TWC or AOL Time Warner shares subsequently contributed to the Trust; (c) any other Restricted Consideration (as defined in Section 5(c)) received by the Trust; and (d) any other non-cash consideration received by the Trust in an Alternate Disposition (as defined in Section 5(c)) or as a dividend or distribution on securities or ownership interests held by the Trust and not approved by the Media Bureau (as defined in Section 5(e)) for distribution to Grantor in accordance with Section 5(e) or 6(b), respectively, (such Restructuring Proceeds, additional TWC or AOL Time Warner shares, other Restricted Consideration and other non-cash assets received by the Trust and not approved for distribution, collectively, the "Disposition Property"), and to exercise any and all rights with respect to any Disposition Property including, without limitation, the MOTH Stock Assumed Rights and the right to exercise any voting, director appointment, consent, approval or management rights arising from the Disposition Property under the TWE Restructuring Documents, in a manner intended to maximize the value of the Disposition Property. Grantor shall not retain any voting, director appointment, consent, approval or management rights with respect to the Disposition Property. Grantor shall not have any rights to require the Operating Trustee to consult with Grantor or its affiliates with respect to the exercise of such rights and the Operating Trustee shall not consult with Grantor with respect to such rights. As used herein, the term "affiliates" shall have the definition adopted in 47 U.S.C. ss. 153(1), provided, however, that for purposes of this Agreement (i) neither the Trust nor any of its subsidiaries shall be deemed to be an affiliate of Grantor or of any of Grantor's affiliates and (ii) neither MOTH nor any of its subsidiaries shall be deemed to be an affiliate of Grantor or of any of Grantor's affiliates after the closing of the TWE Restructuring. The Trust shall retain and hold, and the Operating Trustee shall manage, the Disposition Property in accordance with, and subject to, the terms and conditions set forth in this Agreement, the TWE

Partnership Agreement, the TWE Restructuring Documents to the extent the Trust is a party thereto or is otherwise bound thereby, and any other applicable constitutional document or other agreement setting out rights and responsibilities with respect to any Disposition Property entered into in connection with an Alternate Disposition, Public Sale or Private Sale (collectively, the "Governing Agreements"). The Operating Trustee shall have the authority to sell, transfer, assign, pledge or otherwise dispose of or encumber the Disposition Property only to the extent and in the manner provided in the Governing Agreements. The Operating Trustee shall cause the Trust to comply with the applicable terms of the Governing Agreements.

5. Divestiture of the Disposition Property.

(a) The Operating Trustee shall, in accordance with the terms of this Agreement, divest the Disposition Property. Subject to compliance by the Operating Trustee with its obligations under this Agreement, the decision to divest part or all of the Disposition Property shall be made by the Operating Trustee in its sole discretion. Subject to Section 5(c), Grantor shall not take any action to block a sale by the Operating Trustee on any grounds other than the Operating Trustee's Malfeasance (as defined in Section 7(h)).

(b) During the period commencing on the date hereof and ending five (5) years after the AT&T Comcast Transaction Closing (the "5-Year Period"), except as otherwise provided herein, the Operating Trustee shall pursue such registration rights as are available with respect to all or any portion of the Disposition Property pursuant to the TWE Partnership Agreement, the TWE Restructuring Documents or otherwise, in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. The Operating Trustee shall have complete authority to prosecute such registration rights, including authority to engage

in such litigation as may be necessary. In addition, if any of the Disposition Property is saleable in the public market either under an already effective registration statement or without the requirement of a registration statement under Federal or state securities laws, then the Operating Trustee may also seek to effect a sale pursuant thereto in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. A sale by the Operating Trustee in the manner permitted in this Section 5(b) is referred to herein as a "Public Sale." The Operating Trustee shall not otherwise have the power to dispose of any of the Disposition Property during the 5-Year Period, except pursuant to one or more Alternate Dispositions or Private Sales (as defined in Section 5(g)), or as provided in Section 13.

(c) Notwithstanding the foregoing, at any time during the 5-Year Period, Grantor may propose any one or more Alternate Dispositions (as defined below) with respect to all or part of the Disposition Property, which the Operating Trustee shall be obligated to use reasonable best efforts to cause the Trust to effect (including by becoming a party to agreements related thereto, subject to appropriate indemnification from Grantor and its affiliates), unless such Alternate Disposition is withdrawn by Grantor. If necessary to effect an Alternate Disposition, the Operating Trustee will discontinue (and will not initiate) any efforts to effect a Public Sale, if inconsistent with the terms of such Alternate Disposition, until the Alternate Disposition is closed or terminated without closing. The following types of transactions or combinations thereof constitute "Alternate Dispositions":

(i) A sale or other transfer to any person or persons unaffiliated with Grantor for cash.

(ii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for any consideration other than cash, provided it is not for Restricted Consideration. "Restricted Consideration" is an interest in AOL Time Warner or an entity that, directly or indirectly, owns interests in cable systems or cable programming networks which are attributable under then current FCC Regulations to AOL Time Warner.

(iii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for Restricted Consideration.

(iv) A transaction: (A) with any person or persons unaffiliated with Grantor; (B) which involves a security linked to any of the Disposition Property or a security that would be deemed to be a "derivative security" (as defined in Rule 16a-1(c) under the Securities Exchange Act of 1934, as amended) with respect to any of the Disposition Property, or (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of any of the Disposition Property, including, without limitation, any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction; (C) which has a term ending no more than five (5) years following the AT&T Comcast Transaction Closing; and (D) pursuant to which the Trust receives cash and retains an economic interest equal to no more than 20% of the risk of loss or opportunity for gain or an economically equivalent combination of risk of loss and opportunity for gain; provided, however, that any such transaction shall have economics similar to a collar and the spread on the

collar shall include the trading price of the relevant Disposition Property on the day the transaction is entered into (a "Derivative Transaction").

(d) For the avoidance of doubt, Disposition Property shall, unless divested by the Trust in accordance with this Section 5, be retained by the Trust and not distributed to Grantor or its affiliates, except as provided pursuant to Section 13.

(e) In the event that all or part of the Disposition Property is divested in an Alternate Disposition in return for any consideration that does not constitute Restricted Consideration, the following shall apply: (i) cash consideration will be distributed to Grantor, in accordance with Section 6; and (ii) non-cash consideration will remain in the Trust as Disposition Property unless its distribution to Grantor is approved by the FCC's Media Bureau (the "Media Bureau"). The Operating Trustee will promptly file a written request with the Media Bureau, styled as a "Request to Distribute Non-Cash, Non-Restricted Consideration," seeking approval to distribute any such non-cash consideration that it receives to Grantor. The distribution of such non-cash consideration to Grantor shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 30 days of receipt of such notice from the Operating Trustee, that it objects to such distribution, provided however, that the Media Bureau may, by written notice to the Operating Trustee, extend the 30 day period for an additional 30 days if necessary to complete its review, in which case the distribution will be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 60 days of its receipt of the Operating Trustee's request, that it objects to the proposed distribution. If the Media Bureau objects to the distribution of any non-cash consideration within 30 days of notice from the Operating Trustee (or, in the event the Media Bureau's review period is extended as provided herein, within 60 days of the Operating Trustee's notice), then such non-

cash consideration shall constitute Disposition Property and shall be retained by the Trust. If at any time after an Alternate Disposition any Restricted Consideration received in such Alternate Disposition ceases to be Restricted Consideration, the consideration will be treated as set forth in this Section 5(e) with respect to consideration that is not Restricted Consideration.

(f) Following an Alternate Disposition, and subject to the limitations contained in Section 5(g), the Operating Trustee will retain the power for the remainder of the 5-Year Period to dispose of in a Public Sale any remaining Disposition Property, other than that which is the subject of a Derivative Transaction, in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period and subject to the provisions of the Governing Agreements. Following an Alternate Disposition which is a Derivative Transaction, the Operating Trustee will not take any action during the 5-Year Period (or, if shorter, during the period of time such Disposition Property is the subject of the Derivative Transaction) to effect a Public Sale of that part of the Disposition Property which is the subject of the Derivative Transaction without the consent of Grantor.

(g) The Operating Trustee shall take all actions necessary to implement the TWE Restructuring in accordance with the terms of the TWE Restructuring Documents, will abide by the TWE Restructuring Documents as if it were a party thereto and will not take any action that would result in a breach of the TWE Restructuring Documents by Grantor or any of its affiliates. The Operating Trustee further agrees that it will dispose of any consideration received and assets retained in connection with the TWE Restructuring in a manner consistent with the terms of this Agreement and the TWE Restructuring Documents; provided that:

(i) The Operating Trustee will not take any action during the 90-day period following the closing of the TWE Restructuring to dispose of any publicly traded common stock of AOL Time Warner held by the Trust in a Public Sale, unless so requested by Grantor;

(ii) The Operating Trustee will not take any action during the 180-day period following the closing of the TWE Restructuring to effect any initial public offering of stock in TWC, pursuant to any applicable registration rights, unless so requested by Grantor; and

(iii) If: (A) the consideration received or assets retained by the Trust in the TWE Restructuring includes a partnership interest in TWE; (B) the TWE Partnership Agreement (as amended and restated in connection with the TWE Restructuring) or any other TWE Restructuring Document restricts the rights of Grantor or the Trust to sell or otherwise transfer such partnership interest for a period of time following the closing of the TWE Restructuring not to exceed two years; (C) such amended and restated TWE Partnership Agreement (or a related agreement) provides procedures for the private sale of such partnership interest after such two year period; and (D) within three years following the closing of the TWE Restructuring Grantor has not elected to have the Trust effect such a private sale as an Alternate Disposition; then the Operating Trustee shall have the right following such three year period (and not prior thereto) to effect such a private sale pursuant to such provisions (such a sale of such partnership interest pursuant to such provisions, a "Private Sale"). For the avoidance of doubt, the term

"Private Sale" may include a sale to MOTH or AOL Time Warner pursuant to an appraisal process set forth in a TWE Restructuring Document.

(h) Neither Grantor nor any of its affiliates will be permitted to be a purchaser in a Public Sale or a Private Sale or a counterparty in a Derivative Transaction.

(i) If any of the Disposition Property remains at the end of the 5-Year Period, the Operating Trustee will have the authority and be directed to divest whatever portion of the interest remains as quickly as possible, and in all events within six (6) months thereafter.

(j) The Operating Trustee shall not divest all or part of the Disposition Property until all necessary governmental approvals, if any, have been received.

6. Distribution of Proceeds of Sale; Dividends.

(a) In the event of any disposition involving all or part of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt: (i) any cash; and (ii) following approval by the Media Bureau pursuant to Section 5(e), any assets which do not constitute Restricted Consideration. Such amounts may be reduced by the amount of fees or expense reimbursements then owed by Grantor to the Trustees.

(b) In the event that dividends or distributions are paid in respect of any portion of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt any such dividends or distributions to the extent they consist of: (i) any cash; or (ii) following approval by the Media Bureau pursuant to the procedure described in Section 5(e), any assets which do not constitute Restricted Consideration.

7. Trustee Obligations, Fees and Indemnification.

(a) The Trust shall be administered by the Operating Trustee in accordance with the provisions of this Agreement and applicable FCC Regulations.

(b) The Operating Trustee shall maintain such records, files and books as the Operating Trustee, in the Operating Trustee's reasonable discretion, deems necessary or appropriate to enable the Operating Trustee to carry out the terms and conditions of this Agreement and to record the actions taken by the Operating Trustee in the performance of the Operating Trustee's duties under this Agreement.

(c) The Operating Trustee is expressly authorized to incur and obligate Grantor to pay all charges, taxes and other expenses that are reasonable, necessary and proper in connection with the preparation, execution and delivery of this Agreement and the performance by the Operating Trustee of its duties under this Agreement. Grantor shall pay directly all such charges, taxes and expenses or reimburse the Operating Trustee therefor within thirty (30) days after receipt of the Operating Trustee's notice and documentation under Section 7(e).

(d) In compensation for the Operating Trustee's services under this Agreement, Grantor will pay the Operating Trustee customary fees for the time that the Operating Trustee spends in connection with the formation and administration of the Trust. All such fees shall become due and payable within thirty (30) days after the Operating Trustee has given notice thereof to Grantor under Section 7(e).

(e) The Operating Trustee shall provide timely and adequate written notice to Grantor (no more frequently than once each month) specifying in reasonable detail: (i) the charges, taxes and other expenses to be paid directly by Grantor to third parties or for which Grantor shall reimburse the Operating Trustee (together with customary supporting documentation); and (ii) the fees due to be paid to the Operating Trustee.

(f) The Operating Trustee shall provide to Grantor: (i) within fifteen (15) days of receipt thereof, any accountings received by the Operating Trustee with respect to the

operations of TWC or any other issuer of securities comprising Disposition Property, except to the extent disclosure of such information to Grantor is prohibited by the terms of Section 12; and (ii) within fifteen (15) days of receipt of a written request by Grantor, an accounting of the expenses of the Operating Trustee incurred directly or by third parties for the performance of services to the Operating Trustee in connection with the performance of the Operating Trustee's duties under this Agreement.

(g) Except as specifically provided in this Agreement, the Operating Trustee shall not be entitled to any other fee or other payment hereunder or otherwise, including any termination fee.

(h) Grantor hereby agrees to indemnify each Trustee and hold each Trustee harmless against all claims, actions, proceedings, suits, costs of defense (including reasonable and customary attorneys' and accountants' fees and disbursements), expenses, liabilities, judgments, damages, awards and settlements asserted against or incurred by such Trustee in connection with, or in any way arising directly or indirectly from, the performance by such Trustee of its duties under this Agreement, including claims and liabilities arising from any actions taken by the Operating Trustee in furtherance of its obligation to sell as quickly as possible any of the Disposition Property that remains after the 5-Year Period, provided that the indemnification provided for in this Section 7(h) shall not apply to any claims or liabilities arising from such Trustee's Malfeasance. For purposes of this Agreement, a Trustee's "Malfeasance" shall mean such Trustee's bad faith, gross negligence, willful misconduct or other action inconsistent with the terms of this Agreement or any of the other Governing Agreements.

(i) Except as incurred as a result of such Trustee's Malfeasance, a Trustee shall not be liable with respect to actions taken by it in reliance upon any paper, document or

signature reasonably believed by such Trustee to be genuine and to have been signed by the proper party that is not in fact genuine. A Trustee shall not be liable for any error of judgment in any act done or omitted, nor for any mistake of fact or law, nor for anything which such Trustee may do or refrain from doing in accordance with this Agreement, absent such Trustee's Malfeasance. A Trustee may consult with accountants, attorneys and other advisors, and any action taken in accordance with the advice of such advisor shall be presumptively done in good faith.

(j) The Operating Trustee shall have no duty or liability to Grantor with respect to any change in the value of any of the Disposition Property resulting from TWC's or AOL Time Warner's operations or otherwise (except for the Operating Trustee's Malfeasance) during the Trust Term.

(k) Neither Trustee shall be required to furnish a bond or other security in any jurisdiction for the faithful performance of such Trustee's duties.

(l) Except where the provision of Section 5(i) applies, the Operating Trustee shall manage the property of the Trust, consistent with the terms of this Agreement, in a manner intended to maximize the value of the properties of the Trust and Trust I, taken as a whole, and the Trust and Trust I shall cooperate with each other in connection with any transaction by either of them.

(m) The Trustee shall assist Grantor and Grantor's affiliates and shall cooperate fully in all tax matters relating to the Trust or its assets, including, without limitation, in connection with the preparation and filing of any tax returns or reports which Grantor or any of Grantor's affiliates is required to prepare or file with respect to the Trust or its assets.

8. Trustee Selection. The Delaware Trustee, and any successor Delaware Trustee, shall be either a natural person who is a resident of the State of Delaware or a legal entity having its principal place of business in the State of Delaware, in each case appointed by Grantor. The Operating Trustee shall be appointed by Grantor after approval by the Media Bureau. Each of the Trust and Trust I shall have the same operating trustee and the same Delaware trustee, respectively. No Trustee may be a director, officer, manager, agent or employee of Grantor or its affiliates immediately prior to or at any time while serving as Trustee, nor may any Trustee have any extratrust business, personal or familial relationship with Grantor or its affiliates while serving as Trustee that is inconsistent with any applicable FCC Regulations. In the event that a Trustee enters into any relationship prohibited by this Section 8 at any time while serving as Trustee, such Trustee shall resign in the manner provided in Section 9.

9. Trustee Removal, Resignation, and Replacement.

(a) Grantor may not remove or replace a Trustee at will.

(b) The rights and duties of the Trustees hereunder (other than a Trustee's rights to receive payments to the extent accrued prior to termination and to be indemnified hereunder) shall terminate upon such Trustee's incapacity to act, death or bankruptcy or other insolvency. No interest in the Disposition Property, nor any of the rights and duties of an incapacitated, deceased, bankrupt or insolvent Trustee, may be transferred by such Trustee by will, devise, succession or in any other manner except as provided in this Agreement.

(c) A Trustee may resign by giving thirty (30) days advance written notice of resignation to Grantor, provided that such Trustee agrees that any such resignation shall not become effective until a successor Trustee has been appointed.

(d) In the event of a Trustee's resignation, incapacity to act, death or bankruptcy or other insolvency, such Trustee shall be succeeded by a successor Trustee chosen by Grantor in compliance with FCC Regulations and the terms of this Agreement. Any successor Trustee shall succeed to all of the rights and obligations of the Trustee replaced hereunder upon execution by such successor Trustee of a counterpart of this Agreement. A successor Trustee shall not be liable for breaches of this Agreement committed by a predecessor Trustee.

(e) Notwithstanding any other provision of this Section 9, a Trustee that resigns or is removed as trustee of Trust I (other than upon termination of such trust) shall likewise resign or be removed as Trustee of the Trust.

10. Trustee Advisors.

(a) The Operating Trustee shall have the right to retain such accountants, attorneys, investment bankers, managing underwriters and other advisors (collectively, "Advisors") as are necessary or appropriate to enable the Operating Trustee to perform in a prudent and competent manner the duties and obligations of the Operating Trustee under this Agreement; provided, however, that: (i) the fees and expenses of such Advisors shall be reasonable and customary; and (ii) such Advisors do not have any material business relationship with AOL Time Warner during the term of the Trust. In order to facilitate an expeditious divestiture, the Operating Trustee may retain any Advisors retained prior to the Contribution Date by AT&T, Comcast or their respective affiliates, provided, however, that: (i) such Advisors are solely accountable to the Operating Trustee in respect of advice or services rendered to the Operating Trustee in connection with divestiture of any Disposition Property; and (ii) such Advisors shall not continue to represent AT&T Comcast or its affiliates in connection with

divestiture of such Disposition Property. The Operating Trustee shall be required to provide Grantor with notice and documentation of fees and expenses incurred in connection with the retention of Advisors pursuant to this Section 10(a).

(b) Grantor and its affiliates also shall have the right to retain Advisors to assist the Operating Trustee's Advisors with the divestiture of the Disposition Property (including any Advisors retained by AT&T or Comcast prior to the Contribution Date, to the extent they have not been retained by the Operating Trustee pursuant to the previous subsection); provided, however, that the Operating Trustee shall be free to accept or reject any advice offered by such Advisors and shall be privy to any instructions that Grantor may give to such Advisors, and provided further, that, for avoidance of doubt, the Grantor's Advisors may communicate with the Operating Trustee's Advisors, but shall not communicate directly with the Operating Trustee except in the presence of Grantor and Operating Trustee's Advisors.

(c) The Operating Trustee shall direct any Advisors that it retains, and Grantor shall direct any Advisors that it retains, with regard to the divestiture of the Disposition Property, to take appropriate steps to ensure that such Advisors do not act as a conduit for communications between the Operating Trustee and Grantor that are otherwise prohibited under the terms of this Agreement.

11. Grantor Involvement in TWC Management. Except as provided in Section 12(a), Grantor and its affiliates shall not have an interest in, control of or involvement in the operation or management of TWC, or seek to influence the operation or management of TWC or any cable system in which TWC has an interest, other than Kansas City Cable Partners and Texas Cable Partners, L.P., on account of AT&T Comcast's 50% general partnership interest therein which is held outside of TWC, provided that Grantor and its affiliates shall not: (i) receive information

from Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that TWC, or any affiliate of AOL Time Warner that is a successor to TWC's interest in Kansas City Cable Partners or Texas Cable Partners, L.P. or any of TWC's or such successor's affiliates (other than Kansas City Cable Partners or Texas Cable Partners, L.P. or any of their subsidiaries), negotiates for carriage of video programming on the cable systems owned by Kansas City Cable Partners or Texas Cable Partners, L.P.; or (ii) provide information to Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that Grantor or its affiliates negotiate for the carriage of video programming on the cable systems owned by Grantor or its affiliates. For purposes of this Section 11, the term "TWC" shall include TWC and any other issuer of securities or ownership interests constituting Disposition Property. This Section 11 will cease to apply with respect to Kansas City Cable Partners or Texas Cable Partners, L.P., as the case may be, at such time as neither TWC nor any other affiliate of AOL Time Warner owns any interest in such entity.

12. Communications.

(a) Communications Regarding Operation and Management of TWC.

(i) The Operating Trustee shall not provide any information to Grantor concerning the operation or management of TWC or the operation or management of the cable systems in which TWC has a direct or indirect interest, except that the Operating Trustee shall use its reasonable best efforts to obtain and provide Grantor with financial statements and tax information with respect to TWC and the Disposition Property as and when furnished by TWC and as required by Grantor or its affiliates for compliance with securities and tax laws, rules and regulations, or other applicable legal or regulatory requirements. None

of Grantor, or any of its affiliates, or any of its or their officers, directors or employees, shall communicate with the Operating Trustee, directly or indirectly, including indirectly through their Advisors, regarding the operation or management of TWC or the operation or management of any cable system in which TWC has an interest.

(ii) The Operating Trustee shall have such access to Grantor and its affiliates' personnel, books, records and facilities related to the Disposition Property as may be reasonably necessary for the Operating Trustee to fulfill its obligations hereunder.

(iii) Any communications between the Operating Trustee and Grantor or its affiliates permitted by this subsection (a) shall be in writing.

(b) Communications Regarding Public Sale, Private Sale or Alternate Disposition. The Operating Trustee and Grantor and its affiliates may engage in communications in order to facilitate divestiture of the Disposition Property through any Public Sale, Private Sale or Alternate Disposition. The Operating Trustee shall provide periodic reports (no less frequently than quarterly during the 5-Year Period and no less frequently than monthly thereafter) to Grantor (with a copy to the Media Bureau) describing the Operating Trustee's efforts to accomplish divestiture of the Disposition Property through any Public Sale, Private Sale or Alternate Disposition, provided, however, that to the extent such reports contain information that Grantor deems confidential, such reports shall be provided to the Media Bureau only after such confidential information has been redacted. In the event that such reports are provided to the Media Bureau in redacted form, the unredacted versions of such reports will be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area,

and shall be made available upon request for inspection by the Media Bureau during normal business hours. Upon request by the Media Bureau, the Operating Trustee shall file the unredacted version of any such report with the Media Bureau accompanied by a request for confidential treatment. Grantor will use its reasonable best efforts, consistent with the terms of this Agreement and applicable FCC Regulations, to assist the Operating Trustee in accomplishing the divestiture of the Disposition Property, including using its reasonable best efforts to provide such information as is required by the Operating Trustee to effect such divestiture.

(c) Communications Regarding Fiduciary Matters. Communications between the Trustees and Grantor regarding the fiduciary obligations owed by the Trustees to Grantor shall be permitted at any time.

(d) The Operating Trustee shall retain copies of all written communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors. The Operating Trustee shall prepare (or, as appropriate, instruct its Advisors to prepare) and retain a contemporaneous written summary of all oral communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors, pursuant to subsections (b) and (c) of this Section 12, provided that such summary shall not be required for oral communications that are ministerial or non-substantive in nature, or are otherwise not material to the performance of the Operating Trustee's fiduciary obligations to Grantor or its efforts to (a) divest the Disposition Property or (b) effect an Alternate Disposition in accordance with the terms of this Agreement. All written communications and summaries of oral communications shall be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area, and shall be made available upon request for inspection by the Media Bureau during normal business hours.

(e) Subject to a customary confidentiality agreement and to the terms of any other agreement to which the Trust is a party or otherwise subject, the Operating Trustee shall permit prospective purchasers of the Disposition Property in an Alternate Disposition (at the request of the Grantor) or a Private Sale (at the Operating Trustee's discretion) to have access to any and all financial or operational information to which the Operating Trustee has access, as may be relevant to divestiture of the Disposition Property.

(f) All notices, requests, consents, approvals, waivers and demands among the parties hereto (collectively, "Notices") shall be deemed to have been given if in writing and: (i) personally delivered against a written receipt; (ii) sent by confirmed telephonic facsimile; or (iii) delivered to a reputable express messenger service (such as Federal Express, DHL Courier or United Parcel Service) for overnight delivery, addressed as follows (or to such other address as such party shall have given notice to one another):

(A) If to Grantor:

MOC Holdco II, Inc.
120 N. Market Street
Suite 1401
Wilmington, DE 19801
Attn: Abe Patlov, President
Fax: 302-658-1600

(B) If to the Operating Trustee:

Edith E. Holiday
801 West Street
2nd Floor
Wilmington, DE 19801
Fax:

(C) If to the Delaware Trustee:

The Capital Trust Company
of Delaware
One Little Falls Centre I
Suite 210
2711 Centreville Road
Wilmington, DE 19808
Attn: Corporation Trust and Transaction Services
Fax: 302-636-8585

The period in which a response to any such Notice must be given shall commence to run from the date of the receipt of a personally delivered Notice, or the date of confirmation of a telephonic facsimile, or two (2) days following the proper delivery of the Notice to a reputable express messenger service, as the case may be.

(g) For purposes of this Section 12, the term "TWC" shall include TWC and any other issuer of securities or ownership interests constituting Disposition Property.

13. Termination.

(a) Subject to the provisions of Section 17(e), the Trust shall dissolve upon written election by Grantor delivered to the Trustees, provided that one of the following events has occurred (any such event, a "Dissolution Event"):

(i) divestiture of all of the Disposition Property and the payment of all proceeds to the order of Grantor with respect to such divestiture, in the manner provided in Sections 5(e) and 6(a);

(ii) expiration of the six-month period following the 5-Year Period, provided, however, that if any portion of the Disposition Property remains in the Trust at the expiration of the six-month period following the 5-Year Period, the Trust will continue until the FCC either approves the dissolution of the Trust or the remainder of the Disposition Property has been divested and all proceeds due

to the order of Grantor with respect to such divestiture have been paid, in the manner provided in Sections 5(e) and 6(a); or

(iii) AT&T Comcast ceases directly or indirectly to own any beneficial interest in the Trust.

(b) Upon dissolution of the Trust, the Operating Trustee shall take such action as is necessary or appropriate to deliver to the order of Grantor, or such other party designated by Grantor in writing to the Operating Trustee, all property then held by the Trust or the Operating Trustee on behalf of the Trust pursuant to this Agreement, subject to satisfaction (whether by payment or reasonable provision therefor) of claims of all creditors of the Trust (other than Grantor) including, without limitation, the Trustees. The Operating Trustee shall have a reasonable period to conclude the administration of the Trust, and shall be compensated for all reasonably necessary services performed after the dissolution date. Following completion by the Operating Trustee of the actions required by this Section 13(b), the Operating Trustee shall provide written notice to Grantor and, upon written request of Grantor, the Trustees shall terminate the legal existence of the Trust by canceling the Certificate of Trust in accordance with the Act.

(c) Notwithstanding any other provision of this Section 13, upon a Dissolution Event, Grantor may elect, in lieu of dissolving the Trust, to terminate this Agreement and to convert the Trust into a Delaware limited liability company, Delaware corporation or other legal entity, which conversion shall be upon such terms as Grantor shall deem appropriate; provided that upon completion of such conversion all rights, obligations, assets and liabilities of the Trust remain, under applicable law, rights, obligations, assets and liabilities of the entity so created. The Trustees shall cooperate with Grantor in connection with the foregoing.

(d) At any time, subject to the Governing Agreements, Grantor may cause the Trustees to merge the Trust with Trust I, or to transfer all of the assets and liabilities of the Trust (including, without limitation, the Disposition Property) to Trust I, or to accept a transfer of all of the assets and liabilities of Trust I to the Trust; provided that, in each case and to the extent required under the Governing Agreements, the successor or transferee trust shall assume the obligations of the merged or transferor trust under the Governing Agreements (other than the Declaration of Trust of the merged or transferor trust). For purposes of this Section 13(d), the term "Governing Agreements" includes the "Governing Agreements" as defined in this Agreement and in the Declaration of Trust of the successor or transferee, or merged or transferor, trust, as the case may be.

14. Modification. This Agreement shall not be modified except by an instrument in writing executed by Grantor and the Operating Trustee; provided that the rights, duties, responsibilities and compensation of the Delaware Trustee shall not be changed without the prior written consent of the Delaware Trustee. No modifications of this Agreement, except for modifications that are insubstantial and immaterial, shall be made unless approved by the Media Bureau. A request for approval of a modification of this Agreement shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 14 days of receipt of such request from the Operating Trustee, that it objects to such modification. A copy of any insubstantial and immaterial modification in the Trust shall be filed with the FCC within ten days following the execution thereof, with a copy to the Media Bureau. The parties shall cooperate in the modification of this Agreement in the event changes or modifications are needed in order to bring this Agreement and the transactions contemplated hereby into compliance with applicable FCC Regulations or other applicable laws.

15. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. Subject to the power to delegate the performance of ministerial responsibilities hereunder as deemed necessary by the Operating Trustee, this Agreement shall not be assignable by the Trustees. Grantor shall be entitled to assign its rights hereunder to AT&T Comcast or any subsidiary thereof or any person who becomes the direct or indirect beneficial owner of the Disposition Property as a result of a merger or transfer of all or substantially all the assets of AT&T Comcast or any of its subsidiaries.

16. Confidentiality. This Agreement and all matters concerning the performance, enforcement and interpretation hereof shall be kept in strict confidence by the parties, except where disclosure is required by law, rule or regulation (including the Federal securities laws or FCC Regulations), to carry out the express purposes and terms of this Agreement, or in connection with any claims or actions relating to this Agreement.

17. Miscellaneous.

(a) If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining part of said provision or the remaining provisions of this Agreement.

(b) The headings of the sections and subsections of this Agreement are inserted for convenience of reference only and do not form a part or affect the meaning hereof.

(c) This Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (not including the choice of law rules thereof).

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

(e) The provisions of Sections 7, 12(f), 14, 15, 16 and 17 shall remain in effect, and shall survive, any termination of the Trust.

(f) The failure of Grantor or a Trustee to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision.

(g) This Agreement, together with the Certificate of Trust, is the complete and exclusive agreement between the parties with respect to the creation, operation and termination of the Trust, superseding and replacing any and all prior agreements, communications and understandings, written or oral, regarding such Trust.

(h) Neither Trustee shall have any duty or other obligation to pay, provide or arrange for the provision of funds necessary to perform such Trustee's duties under this Agreement, other than the provision of the written notices to Grantor pursuant to Section 7 hereof. Neither Trustee shall have any personal liability for the payment of any Trust expense or obligation to third parties whatsoever.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

MOC HOLDCO II, INC.

By: _____

Name:

Title:

Edith E. Holiday

THE CAPITAL TRUST COMPANY OF
DELAWARE

By: _____

Name:

Title:

AGREEMENT AND DECLARATION OF TRUST

This agreement and declaration of trust ("Agreement") is entered into as of November 18, 2002 by and among MediaOne TWE Holdings, Inc. ("MOTH" or "Grantor"), a Delaware corporation and an indirect wholly-owned subsidiary of AT&T Comcast Corporation ("AT&T Comcast"), Edith E. Holiday, an individual with an office in Wilmington, Delaware, as operating trustee hereunder (the "Operating Trustee"), and The Capital Trust Company of Delaware, a Delaware trust company, as Delaware trustee hereunder (the "Delaware Trustee").

WHEREAS, the Agreement and Plan of Merger dated as of December 19, 2001, as amended, among AT&T Corp. ("AT&T"), Comcast Corporation ("Comcast"), AT&T Comcast and the other parties thereto provides for the spin-off of AT&T Broadband Corp. ("AT&T Broadband"), a wholly-owned subsidiary of AT&T, and the subsequent mergers of wholly-owned subsidiaries of AT&T Comcast with and into AT&T Broadband and Comcast, respectively (such transactions, the "AT&T Comcast Transaction");

WHEREAS, upon the closing of the AT&T Comcast Transaction (the "Closing"), MediaOne of Colorado, Inc. ("MOC"), a Colorado corporation, an indirect parent of Grantor and an indirect wholly-owned subsidiary of AT&T Broadband, became an indirect wholly-owned subsidiary of AT&T Comcast;

WHEREAS, AT&T Broadband indirectly holds partnership interests in Time Warner Entertainment Company, L.P., a Delaware limited partnership ("TWE"), which prior to the transactions described in the recitals below were held as follows: (i) a partnership interest representing approximately 2.86% of the pro rata senior priority (Series A) capital and residual equity capital of TWE (the "MOC TWE Interest") was held by MOC; and (ii) a partnership

interest representing approximately 24.78% of the pro rata senior priority (Series A) capital and residual equity capital of TWE (the "MOTH TWE Interest") was held by Grantor;

WHEREAS, TWE, AT&T, MOC, MOTH, Comcast, AT&T Comcast, AOL Time Warner Inc. ("AOL Time Warner") and certain other parties have entered into the Restructuring Agreement dated as of August 20, 2002 (as it may be amended, the "Restructuring Agreement" and, together with the other Transaction Agreements, the Engagement Letter, the Confidentiality Agreements and the Letter Agreements (each as defined in the Restructuring Agreement), the "TWE Restructuring Documents"), providing for the restructuring of TWE and certain related transactions (the "TWE Restructuring");

WHEREAS, prior to the date hereof: (i) MOC contributed the MOC TWE Interest to MOC Holdco I, Inc. ("Holdco 1"), a Delaware corporation and a wholly-owned subsidiary of MOC, and Holdco 1 succeeded to the rights, and agreed to assume the obligations, of MOC under the Agreement of Limited Partnership of TWE, dated October 29, 1991, as amended (the "TWE Partnership Agreement"); and (ii) Holdco 1 contributed the MOC TWE Interest to TWE Holdings I LLC ("LLC 1"), a Delaware limited liability company and a wholly-owned subsidiary of Holdco 1, and LLC 1 succeeded to the rights, and agreed to assume the obligations of, Holdco 1 under the TWE Partnership Agreement (such contributions of the MOC TWE Interest, collectively, the "MOC TWE Contribution");

WHEREAS, concurrent with the MOC TWE Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the MOC TWE Interest under the TWE Restructuring Documents to LLC 1, and LLC 1 accepted such assignment and agreed to assume such obligations (such obligations, the "MOC Assumed Obligations" and such rights, the "MOC Assumed Rights");

WHEREAS, following the MOC TWE Contribution: (i) LLC 1 was duly converted (the "Trust 1 Conversion") into a Delaware statutory trust ("Trust I") pursuant to the Delaware Limited Liability Company Act (6 Del. C. ss.18-101, et seq.) (as amended from time to time and any successor to such statute, the "LLC Act") and to the Delaware Statutory Trust Act (12 Del. C. ss.3801, et seq.) (as amended from time to time and any successor to such statute, the "Act"); and (ii) pursuant to the Trust 1 Conversion, (A) the limited liability company interests in LLC 1 were converted into beneficial interests in Trust I and, upon completion of the Trust 1 Conversion, 100% of such beneficial interests in Trust I were held directly by Holdco 1 and (B) the MOC Assumed Obligations, the MOC Assumed Rights and the rights and obligations of LLC 1 under the TWE Partnership Agreement were vested in Trust I;

WHEREAS, prior to the date hereof: (i) MOC contributed 100% of the capital stock of MOTH to MOC Holdco II, Inc. ("Holdco 2"), a Delaware corporation and a wholly-owned subsidiary of MOC; and (ii) Holdco 2 contributed 100% of the capital stock of MOTH to TWE Holdings II LLC ("LLC 2"), a Delaware limited liability company and a wholly-owned subsidiary of Holdco 2 (such contributions of MOC's MOTH stock, the "MOTH Stock Contribution");

WHEREAS, concurrent with the MOTH Stock Contribution, MOC or one or more of its affiliates assigned all applicable rights and obligations relating to the direct or indirect interest of MOC in the equity of MOTH under the TWE Restructuring Documents to LLC 2, and LLC 2 accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH Stock Assumed Obligations" and such rights, the "MOTH Stock Assumed Rights");

WHEREAS, on or prior to the date hereof: (i) Grantor contributed (the "MOTH TWE Contribution") the MOTH TWE Interest to TWE Holdings III LLC ("LLC 3"), a Delaware

limited liability company and a wholly-owned subsidiary of Grantor, and LLC 3 succeeded to the rights, and agreed to assume the obligations, of Grantor under the TWE Partnership Agreement; (ii) concurrent with the MOTH TWE Contribution, Grantor or one or more of its affiliates assigned all applicable rights and obligations relating to the MOTH TWE Interest under the TWE Restructuring Documents to LLC 3, and LLC 3 accepted such assignment and agreed to assume such obligations (such obligations, the "MOTH TWE Assumed Obligations" and such rights, the "MOTH TWE Assumed Rights"); and (iii) Grantor, as sole member of LLC 3, approved the conversion of LLC 3 into a Delaware statutory trust and approved the form of this Agreement as the governing instrument for such trust;

WHEREAS, following the MOTH TWE Contribution: (i) LLC 3 was duly converted (the "Trust 3 Conversion") into a Delaware statutory trust (the "Trust") pursuant to the LLC Act and the Act by the execution and filing with the Secretary of State of the State of Delaware of a Certificate of Conversion and a Certificate of Trust; and (ii) pursuant to the Trust 3 Conversion, (A) the limited liability company interests in LLC 3 were converted into beneficial interests in the Trust and, upon completion of the Trust 3 Conversion, 100% of such beneficial interests in the Trust were held directly by Grantor and (B) the MOTH TWE Assumed Obligations and the MOTH TWE Assumed Rights, and the rights and obligations of LLC 3 under the TWE Partnership Agreement, were vested in the Trust;

WHEREAS, the MOC Assumed Rights, the MOTH Stock Assumed Rights and the MOTH TWE Assumed Rights, in the aggregate, include, without limitation, all rights of Grantor and its affiliates under the TWE Restructuring Documents with respect to registration rights and to the management and operations of TWE, MOTH or their affiliates;

WHEREAS, prior to the closing of the TWE Restructuring, the MediaOne Note Payment (as defined in the Restructuring Agreement) will occur;

WHEREAS, (A) prior to the closing of the TWE Restructuring, LLC 2 will be converted into a Delaware statutory trust ("Trust II") pursuant to the LLC Act and the Act, (B) at the request of Holdco 2, at the closing of the TWE Restructuring the Trust will assign certain of the MOTH TWE Assumed Rights and MOTH TWE Assumed Obligations to Trust II, and Trust II will accept such assignment and assume such obligations, and (C) immediately after the foregoing assignment (or, if no assignment occurs, then at the closing of the TWE Restructuring), the Trust will merge into MOTH or dissolve;

WHEREAS, the parties hereto now wish to establish the terms and conditions under which the Trust will be administered in order to effect divestiture of the Disposition Property (as defined in Section 4); and

WHEREAS, Edith E. Holiday wishes to serve as Operating Trustee of the Trust.

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

1. General Provisions.

(a) Name. The name of this trust is "TWE Holdings III Trust." The Trust's business may be conducted under the name of the Trust or any other name or names selected by the Operating Trustee.

(b) Principal Office. The principal office of the Trust shall be 801 West Street, 2nd Floor, Wilmington, Delaware 19801, or such other place within the State of Delaware as may from time to time be designated by the Operating Trustee, provided, however, that the Operating Trustee shall not locate its offices at the offices of AT&T Comcast or its affiliates, as

defined below. The Operating Trustee shall give prompt notice of any change in the address of its principal office to Grantor and the Delaware Trustee. Neither the Delaware Trustee nor the Operating Trustee shall maintain an office outside of the State of Delaware for the conduct of the business of the Trust or conduct the business of the Trust outside of the State of Delaware; provided that the Operating Trustee may from time to time conduct the business of the Trust outside of the State of Delaware if reasonably required for the conduct of such business. The Operating Trustee shall comply with such conditions relating to the immediately preceding sentence as Grantor shall reasonably request.

(c) Delaware Trustee. The address of the Delaware Trustee in Delaware is One Little Falls Centre I, Suite 210, 2711 Centreville Road, Wilmington, Delaware 19808. The Delaware Trustee is appointed to serve as the trustee of the Trust in Delaware for the sole purpose of satisfying the requirements of Section 3807 of the Act that the Trust have at least one trustee with a principal place of business in Delaware. The Delaware Trustee shall be entitled to receive customary fees for its services. It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the rights, duties or liabilities of the Operating Trustee. The rights and duties of the Delaware Trustee shall be limited to (a) accepting legal process served on the Trust in Delaware and (b) the execution of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or Grantor, it is hereby understood and agreed by the parties hereto, including Grantor, that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this

Agreement. The Delaware Trustee and the Operating Trustee are referred to herein collectively as the "Trustees" and each individually as a "Trustee."

(d) Declaration of Trust. The Delaware Trustee and the Operating Trustee each hereby declares that it will hold the assets of the Trust in trust upon and subject to the conditions set forth herein for the benefit of Grantor, the holder of 100% of the beneficial interests in the Trust, and in compliance with all applicable rules, regulations and orders of the Federal Communications Commission ("FCC Regulations"). It is the intention of the parties hereto that the Trust be a statutory trust under the Act. The Delaware Trustee and the Operating Trustee are hereby authorized to execute any amendment or restatement of the Certificate of Trust so long as such amendment or restatement is not inconsistent with the provisions hereof. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company.

(e) No Individual Ownership. Title to all of the assets of the Trust shall be vested in the Trust until the Trust dissolves or is converted in accordance with Section 13 hereof; provided, however, if the applicable laws of any jurisdiction require that title to any part of the assets of the Trust be vested in a trustee of the Trust, then title to that part of the assets of the Trust shall be vested in the Operating Trustee to the extent so required, but the beneficial interest with respect to such asset shall remain in the Trust for the benefit of the Trust beneficiaries.

(f) Tax Treatment. The parties hereby agree that the Trust shall be treated as a "grantor trust" or, in the event the Trust shall be engaged in the conduct of a business for profit, as a business entity that is disregarded as separate from Grantor for purposes of the U.S. Federal, state and local tax laws, and further agree: (i) not to take any position (or cause the Trust to do

so), in a tax return or otherwise, or take any other action, that is inconsistent with such treatment; and (ii) to take all commercially reasonable actions necessary to cause the Trust to be so treated.

2. Contribution to the Trust.

(a) The date on which the MOTH TWE Contribution and the Trust 3 Conversion were completed is referred to in this Agreement as the "Contribution Date".

(b) Following the Contribution Date and during the Trust Term (as defined in Section 3), except as otherwise provided by this Agreement, the Trust shall have legal and record ownership of the MOTH TWE Interest and all other assets constituting Disposition Property (as defined in Section 4).

(c) Grantor represents and warrants to the Operating Trustee that: (i) the MOTH TWE Contribution was effected in accordance with applicable FCC Regulations; (ii) as of the Contribution Date, Grantor had full right and legal authority to effect the MOTH TWE Contribution as described herein; (iii) as of the Contribution Date, the MOTH TWE Interest was not subject to any liens or other encumbrances (other than as created by, or permitted under, this Agreement, the TWE Restructuring Documents or the TWE Partnership Agreement); and (iv) all consents, waivers and approvals of the Federal Communications Commission ("FCC") and third parties necessary for the MOTH TWE Contribution have been received and are in full force and effect.

(d) If any additional interest in TWE is acquired by AT&T Comcast or any of its subsidiaries during the Trust Term, AT&T Comcast shall cause such interest to be contributed to the Trust and become property of the Trust or, if AT&T Comcast so elects, AT&T Comcast may cause such additional interest to be contributed to, and become property of, Trust I. Except

as provided herein, no other property may be contributed to the Trust by any party without the prior written agreement of the Operating Trustee.

3. Term of the Trust and Irrevocability. The Trust shall be irrevocable by Grantor and shall have a term that expires at such time as the Trust terminates in accordance with the provisions of Section 13 (the "Trust Term").

4. Operating Trustee Control of the Disposition Property. The Operating Trustee shall have sole and exclusive authority to manage: (a) the MOTH TWE Interest; (b) any additional TWE interest subsequently contributed to the Trust; (c) any Restricted Consideration (as defined in Section 5(c)) received by the Trust; and (d) any other non-cash consideration received by the Trust in an Alternate Disposition (as defined in Section 5(c)) or as a dividend or distribution on securities or ownership interests held by the Trust and not approved by the Media Bureau (as defined in Section 5(e)) for distribution to Grantor in accordance with Section 5(e) or 6(b), respectively, (such TWE interests, Restricted Consideration and other non-cash assets received by the Trust and not approved for distribution, collectively, the "Disposition Property"), and to exercise any and all rights with respect to any Disposition Property including, without limitation, the MOTH Assumed Rights and the right to exercise any voting, director appointment, consent, approval or management rights arising from the Disposition Property under the TWE Partnership Agreement, in a manner intended to maximize the value of the Disposition Property. Without limiting the foregoing, Grantor or its affiliates will, upon or prior to the Closing, cause the representatives appointed by Grantor (or any of its affiliates) to the TWE board of representatives to resign and, subsequent to such resignations, the Operating Trustee will exercise any right to appoint replacement representatives when, in the Operating Trustee's judgment, doing so is necessary to protect the value of any Disposition Property.

Grantor shall not retain any voting, director appointment, consent, approval or management rights with respect to the Disposition Property. Grantor shall not have any rights to require the Operating Trustee to consult with Grantor or its affiliates with respect to the exercise of such rights and the Operating Trustee shall not consult with Grantor with respect to such rights. As used herein, the term "affiliates" shall have the definition adopted in 47 U.S.C. ss. 153(1) provided however, that for purposes of this Agreement neither the Trust nor any of its subsidiaries shall be deemed to be an affiliate of Grantor or of any of Grantor's affiliates. The Trust shall retain and hold, and the Operating Trustee shall manage, the Disposition Property in accordance with, and subject to, the terms and conditions set forth in this Agreement, the TWE Partnership Agreement, the TWE Restructuring Documents to the extent the Trust is a party thereto or is otherwise bound thereby, and any other applicable constitutional document or other agreement setting out rights and responsibilities with respect to any Disposition Property entered into in connection with an Alternate Disposition or Public Sale (collectively, the "Governing Agreements"). The Operating Trustee shall have the authority to sell, transfer, assign, pledge or otherwise dispose of or encumber the Disposition Property only to the extent and in the manner provided in the Governing Agreements. The Operating Trustee shall cause the Trust to comply with the applicable terms of the Governing Agreements.

5. Divestiture of the Disposition Property.

(a) The Operating Trustee shall, in accordance with the terms of this Agreement, divest the Disposition Property. Subject to compliance by the Operating Trustee with its obligations under this Agreement, the decision to divest part or all of the Disposition Property shall be made by the Operating Trustee in its sole discretion. Subject to Section 5(c),

Grantor shall not take any action to block a sale by the Operating Trustee on any grounds other than the Operating Trustee's Malfeasance (as defined in Section 7(h)).

(b) During the period commencing with the Closing and ending five (5) years thereafter (the "5-Year Period"), except as otherwise provided herein, the Operating Trustee shall pursue such registration rights as are available with respect to all or any portion of the Disposition Property pursuant to the TWE Partnership Agreement, the TWE Restructuring Documents or otherwise, in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. The Operating Trustee shall have complete authority to prosecute such registration rights, including authority to engage in such litigation as may be necessary. In addition, if any of the Disposition Property is saleable in the public market either under an already effective registration statement or without the requirement of a registration statement under Federal or state securities laws, then the Operating Trustee may also seek to effect a sale pursuant thereto in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period. A sale by the Operating Trustee in the manner permitted in this Section 5(b) is referred to herein as a "Public Sale." The Operating Trustee shall not otherwise have the power to dispose of any of the Disposition Property during the 5-Year Period, except pursuant to one or more Alternate Dispositions, or as provided in Section 13.

(c) Notwithstanding the foregoing, at any time during the 5-Year Period, Grantor may propose any one or more Alternate Dispositions (as defined below) with respect to all or part of the Disposition Property, which the Operating Trustee shall be obligated to use reasonable best efforts to cause the Trust to effect (including by becoming a party to agreements

related thereto, subject to appropriate indemnification from Grantor and its affiliates), unless such Alternate Disposition is withdrawn by Grantor. If necessary to effect an Alternate Disposition, the Operating Trustee will discontinue (and will not initiate) any efforts to effect a Public Sale, if inconsistent with the terms of such Alternate Disposition, until the Alternate Disposition is closed or terminated without closing. The following types of transactions or combinations thereof constitute "Alternate Dispositions":

(i) A sale or other transfer to any person or persons unaffiliated with Grantor for cash.

(ii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for any consideration other than cash, provided it is not for Restricted Consideration. "Restricted Consideration" is an interest in AOL Time Warner or an entity that, directly or indirectly, owns interests in cable systems or cable programming networks which are attributable under then current FCC Regulations to AOL Time Warner.

(iii) A sale or other transfer, conversion or exchange to any person or persons unaffiliated with Grantor for Restricted Consideration. For the avoidance of doubt, the conversion of TWE to a corporation in connection with the registration rights process under the TWE Partnership Agreement, and the TWE Restructuring, each would be deemed to be an Alternate Disposition for Restricted Consideration.

(iv) A transaction: (A) with any person or persons unaffiliated with Grantor; (B) which involves a security linked to any of the Disposition Property or a security that would be deemed to be a "derivative security" (as defined in

Rule 16a-1(c) under the Securities Exchange Act of 1934, as amended) with respect to any of the Disposition Property, or (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of any of the Disposition Property, including, without limitation, any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction; (C) which has a term ending no more than five (5) years following the Closing; and (D) pursuant to which the Trust receives cash and retains an economic interest equal to no more than 20% of the risk of loss or opportunity for gain or an economically equivalent combination of risk of loss and opportunity for gain; provided, however, that any such transaction shall have economics similar to a collar and the spread on the collar shall include the trading price of the relevant Disposition Property on the day the transaction is entered into (a "Derivative Transaction").

(d) For the avoidance of doubt, Disposition Property shall, unless divested by the Trust in accordance with this Section 5, be retained by the Trust and not distributed to Grantor or its affiliates, except as provided pursuant to Section 13.

(e) In the event that all or part of the Disposition Property is divested in an Alternate Disposition in return for any consideration that does not constitute Restricted Consideration, the following shall apply: (i) cash consideration will be distributed to Grantor, in accordance with Section 6; and (ii) non-cash consideration will remain in the Trust as Disposition Property unless its distribution to Grantor is approved by the FCC's Media Bureau (the "Media Bureau"). The Operating Trustee will promptly file a written request with the

Media Bureau, styled as a "Request to Distribute Non-Cash, Non-Restricted Consideration," seeking approval to distribute any such non-cash consideration that it receives to Grantor. The distribution of such non-cash consideration to Grantor shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 30 days of receipt of such notice from the Operating Trustee, that it objects to such distribution, provided however, that the Media Bureau may, by written notice to the Operating Trustee, extend the 30 day period for an additional 30 days if necessary to complete its review, in which case the distribution will be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 60 days of its receipt of the Operating Trustee's request, that it objects to the proposed distribution. If the Media Bureau objects to the distribution of any non-cash consideration within 30 days of notice from the Operating Trustee (or, in the event the Media Bureau's review period is extended as provided herein, within 60 days of the Operating Trustee's notice), then such non-cash consideration shall constitute Disposition Property and shall be retained by the Trust. If at any time after an Alternate Disposition any Restricted Consideration received in such Alternate Disposition ceases to be Restricted Consideration, the consideration will be treated as set forth in this Section 5(e) with respect to consideration that is not Restricted Consideration.

(f) Following an Alternate Disposition, and subject to the limitations contained in Section 5(g), the Operating Trustee will retain the power for the remainder of the 5-Year Period to dispose of in a Public Sale any remaining Disposition Property, other than that which is the subject of a Derivative Transaction, in a manner intended to maximize the value received by Grantor, consistent with the goal of concluding a complete divestiture of the Disposition Property by the end of the 5-Year Period and subject to the provisions of the Governing Agreements. Following an Alternate Disposition which is a Derivative Transaction,

the Operating Trustee will not take any action during the 5-Year Period (or, if shorter, during the period of time such Disposition Property is the subject of the Derivative Transaction) to effect a Public Sale of that part of the Disposition Property which is the subject of the Derivative Transaction without the consent of Grantor.

(g) The Operating Trustee acknowledges that the registration rights process currently provided for in the TWE Partnership Agreement has been suspended. Grantor represents to the Operating Trustee that the Restructuring Agreement provides that in the event of termination of the Restructuring Agreement, the registration rights process in effect at the time of the execution of the Restructuring Agreement will be reinstated at the same point at which it was suspended (with the general rule being that the appraisal previously completed in connection with such process shall be prepared again and, in the event the investment banking firm that conducted such earlier appraisal is not at such time eligible to be engaged, a new investment banking firm will have to be selected and engaged, provided that in certain exceptional circumstances the existing appraisal may be used). The Operating Trustee shall take all actions necessary to implement the TWE Restructuring in accordance with the terms of the TWE Restructuring Documents, will abide by the TWE Restructuring Documents as if it were a party thereto and will not take any action that would result in a breach of the TWE Restructuring Documents by Grantor or any of its affiliates.

(h) Neither Grantor nor any of its affiliates will be permitted to be a purchaser in a Public Sale or a counterparty in a Derivative Transaction.

(i) If any of the Disposition Property remains at the end of the 5-Year Period, the Operating Trustee will have the authority and be directed to divest whatever portion of the interest remains as quickly as possible, and in all events within six (6) months thereafter.

(j) The Operating Trustee shall not divest all or part of the Disposition Property until all necessary governmental approvals, if any, have been received.

6. Distribution of Proceeds of Sale; Dividends.

(a) In the event of any disposition involving all or part of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt: (i) any cash; and (ii) following approval by the Media Bureau pursuant to Section 5(e), any assets which do not constitute Restricted Consideration. Such amounts may be reduced by the amount of fees or expense reimbursements then owed by Grantor to the Trustees.

(b) In the event that dividends or distributions are paid in respect of any portion of the Disposition Property, the Operating Trustee shall cause to be distributed to Grantor as soon as practicable following receipt any such dividends or distributions to the extent they consist of: (i) any cash; or (ii) following approval by the Media Bureau pursuant to the procedure described in Section 5(e), any assets which do not constitute Restricted Consideration.

7. Trustee Obligations, Fees and Indemnification.

(a) The Trust shall be administered by the Operating Trustee in accordance with the provisions of this Agreement and applicable FCC Regulations.

(b) The Operating Trustee shall maintain such records, files and books as the Operating Trustee, in the Operating Trustee's reasonable discretion, deems necessary or appropriate to enable the Operating Trustee to carry out the terms and conditions of this Agreement and to record the actions taken by the Operating Trustee in the performance of the Operating Trustee's duties under this Agreement.

(c) The Operating Trustee is expressly authorized to incur and obligate Grantor to pay all charges, taxes and other expenses that are reasonable, necessary and proper in

connection with the preparation, execution and delivery of this Agreement and the performance by the Operating Trustee of its duties under this Agreement. Grantor shall pay directly all such charges, taxes and expenses or reimburse the Operating Trustee therefor within thirty (30) days after receipt of the Operating Trustee's notice and documentation under Section 7(e).

(d) In compensation for the Operating Trustee's services under this Agreement, Grantor will pay the Operating Trustee customary fees for the time that the Operating Trustee spends in connection with the formation and administration of the Trust. All such fees shall become due and payable within thirty (30) days after the Operating Trustee has given notice thereof to Grantor under Section 7(e).

(e) The Operating Trustee shall provide timely and adequate written notice to Grantor (no more frequently than once each month) specifying in reasonable detail: (i) the charges, taxes and other expenses to be paid directly by Grantor to third parties or for which Grantor shall reimburse the Operating Trustee (together with customary supporting documentation); and (ii) the fees due to be paid to the Operating Trustee.

(f) The Operating Trustee shall provide to Grantor: (i) within fifteen (15) days of receipt thereof, any accountings received by the Operating Trustee with respect to the operations of TWE or any other issuer of securities comprising Disposition Property, except to the extent disclosure of such information to Grantor is prohibited by the terms of Section 12; and (ii) within fifteen (15) days of receipt of a written request by Grantor, an accounting of the expenses of the Operating Trustee incurred directly or by third parties for the performance of services to the Operating Trustee in connection with the performance of the Operating Trustee's duties under this Agreement.

(g) Except as specifically provided in this Agreement, the Operating Trustee shall not be entitled to any other fee or other payment hereunder or otherwise, including any termination fee.

(h) Grantor hereby agrees to indemnify each Trustee and hold each Trustee harmless against all claims, actions, proceedings, suits, costs of defense (including reasonable and customary attorneys' and accountants' fees and disbursements), expenses, liabilities, judgments, damages, awards and settlements asserted against or incurred by such Trustee in connection with, or in any way arising directly or indirectly from, the performance by such Trustee of its duties under this Agreement, including claims and liabilities arising from any actions taken by the Operating Trustee in furtherance of its obligation to sell as quickly as possible any of the Disposition Property that remains after the 5-Year Period, provided that the indemnification provided for in this Section 7(h) shall not apply to any claims or liabilities arising from such Trustee's Malfeasance. For purposes of this Agreement, a Trustee's "Malfeasance" shall mean such Trustee's bad faith, gross negligence, willful misconduct or other action inconsistent with the terms of this Agreement or any of the other Governing Agreements.

(i) Except as incurred as a result of such Trustee's Malfeasance, a Trustee shall not be liable with respect to actions taken by it in reliance upon any paper, document or signature reasonably believed by such Trustee to be genuine and to have been signed by the proper party that is not in fact genuine. A Trustee shall not be liable for any error of judgment in any act done or omitted, nor for any mistake of fact or law, nor for anything which such Trustee may do or refrain from doing in accordance with this Agreement, absent such Trustee's Malfeasance. A Trustee may consult with accountants, attorneys and other advisors, and any

action taken in accordance with the advice of such advisor shall be presumptively done in good faith.

(j) The Operating Trustee shall have no duty or liability to Grantor with respect to any change in the value of any of the Disposition Property resulting from TWE's operations or otherwise (except for the Operating Trustee's Malfeasance) during the Trust Term.

(k) Neither Trustee shall be required to furnish a bond or other security in any jurisdiction for the faithful performance of such Trustee's duties.

(l) Except where the provision of Section 5(i) applies, the Operating Trustee shall manage the property of the Trust, consistent with the terms of this Agreement, in a manner intended to maximize the value of the properties of the Trust and Trust I, taken as a whole, and the Trust and Trust I shall cooperate with each other in connection with any transaction by either of them.

(m) The Trustee shall assist Grantor and Grantor's affiliates and shall cooperate fully in all tax matters relating to the Trust or its assets, including, without limitation, in connection with the preparation and filing of any tax returns or reports which Grantor or any of Grantor's affiliates is required to prepare or file with respect to the Trust or its assets.

8. Trustee Selection. The Delaware Trustee, and any successor Delaware Trustee, shall be either a natural person who is a resident of the State of Delaware or a legal entity having its principal place of business in the State of Delaware, in each case appointed by Grantor. The Operating Trustee shall be appointed by Grantor after approval by the Media Bureau. Each of the Trust and Trust I shall have the same operating trustee and the same Delaware trustee, respectively. No Trustee may be a director, officer, manager, agent or employee of Grantor or its affiliates immediately prior to or at any time while serving as Trustee, nor may any Trustee have

any extratrust business, personal or familial relationship with Grantor or its affiliates while serving as Trustee that is inconsistent with any applicable FCC Regulations. In the event that a Trustee enters into any relationship prohibited by this Section 8 at any time while serving as Trustee, such Trustee shall resign in the manner provided in Section 9.

9. Trustee Removal, Resignation, and Replacement.

(a) Grantor may not remove or replace a Trustee at will.

(b) The rights and duties of the Trustees hereunder (other than a Trustee's rights to receive payments to the extent accrued prior to termination and to be indemnified hereunder) shall terminate upon such Trustee's incapacity to act, death or bankruptcy or other insolvency. No interest in the Disposition Property, nor any of the rights and duties of an incapacitated, deceased, bankrupt or insolvent Trustee, may be transferred by such Trustee by will, devise, succession or in any other manner except as provided in this Agreement.

(c) A Trustee may resign by giving thirty (30) days advance written notice of resignation to Grantor, provided that such Trustee agrees that any such resignation shall not become effective until a successor Trustee has been appointed.

(d) In the event of a Trustee's resignation, incapacity to act, death or bankruptcy or other insolvency, such Trustee shall be succeeded by a successor Trustee chosen by Grantor in compliance with FCC Regulations and the terms of this Agreement. Any successor Trustee shall succeed to all of the rights and obligations of the Trustee replaced hereunder upon execution by such successor Trustee of a counterpart of this Agreement. A successor Trustee shall not be liable for breaches of this Agreement committed by a predecessor Trustee.

(e) Notwithstanding any other provision of this Section 9, a Trustee that resigns or is removed as trustee of Trust I (other than upon termination of such trust) shall likewise resign or be removed as Trustee of the Trust.

10. Trustee Advisors.

(a) The Operating Trustee shall have the right to retain such accountants, attorneys, investment bankers, managing underwriters and other advisors (collectively, "Advisors") as are necessary or appropriate to enable the Operating Trustee to perform in a prudent and competent manner the duties and obligations of the Operating Trustee under this Agreement; provided, however, that: (i) the fees and expenses of such Advisors shall be reasonable and customary; and (ii) such Advisors do not have any material business relationship with AOL Time Warner during the term of the Trust. In order to facilitate an expeditious divestiture, the Operating Trustee may retain any Advisors retained prior to the Contribution Date by AT&T, Comcast or their respective affiliates, provided, however, that: (i) such Advisors are solely accountable to the Operating Trustee in respect of advice or services rendered to the Operating Trustee in connection with divestiture of any Disposition Property; and (ii) such Advisors shall not continue to represent AT&T Comcast or its affiliates in connection with divestiture of such Disposition Property. The Operating Trustee shall be required to provide Grantor with notice and documentation of fees and expenses incurred in connection with the retention of Advisors pursuant to this Section 10(a).

(b) Grantor and its affiliates also shall have the right to retain Advisors to assist the Operating Trustee's Advisors with the divestiture of the Disposition Property (including any Advisors retained by AT&T or Comcast prior to the Contribution Date, to the extent they have not been retained by the Operating Trustee pursuant to the previous subsection);

provided, however, that the Operating Trustee shall be free to accept or reject any advice offered by such Advisors and shall be privy to any instructions that Grantor may give to such Advisors, and provided further, that, for avoidance of doubt, the Grantor's Advisors may communicate with the Operating Trustee's Advisors, but shall not communicate directly with the Operating Trustee except in the presence of Grantor and Operating Trustee's Advisors.

(c) The Operating Trustee shall direct any Advisors that it retains, and Grantor shall direct any Advisors that it retains, with regard to the divestiture of the Disposition Property, to take appropriate steps to ensure that such Advisors do not act as a conduit for communications between the Operating Trustee and Grantor that are otherwise prohibited under the terms of this Agreement.

11. Grantor Involvement in TWE Management. Except as provided in Section 12(a), Grantor and its affiliates shall not have an interest in, control of or involvement in the operation or management of TWE, or seek to influence the operation or management of TWE or any cable system in which TWE has an interest, other than Kansas City Cable Partners and Texas Cable Partners, L.P., on account of AT&T Comcast's 50% general partnership interest therein which is held outside of TWE; provided that Grantor and its affiliates shall not: (i) receive information from Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that TWE, or any affiliate of AOL Time Warner that is a successor to TWE's interest in Kansas City Cable Partners or Texas Cable Partners, L.P. or any of TWE's or such successor's affiliates (other than Kansas City Cable Partners or Texas Cable Partners, L.P. or any of their subsidiaries), negotiates for carriage of video programming on the cable systems owned by Kansas City Cable Partners or Texas Cable Partners, L.P.; or (ii) provide information to Kansas City Cable Partners or Texas Cable Partners, L.P. regarding the price, terms or conditions that

Grantor or its affiliates negotiate for the carriage of video programming on the cable systems owned by Grantor or its affiliates. For purposes of this Section 11, the term "TWE" shall include TWE and any other issuer of securities or ownership interests constituting Disposition Property. This Section 11 will cease to apply with respect to Kansas City Cable Partners or Texas Cable Partners, L.P., as the case may be, at such time as neither TWE nor any other affiliate of AOL Time Warner owns any interest in such entity.

12. Communications.

(a) Communications Regarding Operation and Management of TWE.

(i) The Operating Trustee shall not provide any information to Grantor concerning the operation or management of TWE or the operation or management of the cable systems in which TWE has a direct or indirect interest, except that the Operating Trustee shall use its reasonable best efforts to obtain and provide Grantor with financial statements and tax information with respect to TWE and the MOTH TWE Interest as and when furnished by TWE and as required by Grantor or its affiliates for compliance with securities and tax laws, rules and regulations, or other applicable legal or regulatory requirements. None of Grantor, or any of its affiliates, or any of its or their officers, directors or employees, shall communicate with the Operating Trustee, directly or indirectly, including indirectly through their Advisors, regarding the operation or management of TWE or the operation or management of any cable system in which TWE has an interest.

(ii) The Operating Trustee shall have such access to Grantor and its affiliates' personnel, books, records and facilities related to the Disposition

Property as may be reasonably necessary for the Operating Trustee to fulfill its obligations hereunder.

(iii) Any communications between the Operating Trustee and Grantor or its affiliates permitted by this subsection (a) shall be in writing.

(b) Communications Regarding Public Sale or Alternate Disposition.

The Operating Trustee and Grantor and its affiliates may engage in communications in order to facilitate divestiture of the Disposition Property through any Public Sale or Alternate Disposition. The Operating Trustee shall provide periodic reports (no less frequently than quarterly during the 5-Year Period and no less frequently than monthly thereafter) to Grantor (with a copy to the Media Bureau) describing the Operating Trustee's efforts to accomplish divestiture of the Disposition Property through any Public Sale or Alternate Disposition, provided, however, that to the extent such reports contain information that Grantor deems confidential, such reports shall be provided to the Media Bureau only after such confidential information has been redacted. In the event that such reports are provided to the Media Bureau in redacted form, the unredacted versions of such reports will be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area, and shall be made available upon request for inspection by the Media Bureau during normal business hours. Upon request by the Media Bureau, the Operating Trustee shall file the unredacted version of any such report with the Media Bureau accompanied by a request for confidential treatment. Grantor will use its reasonable best efforts, consistent with the terms of this Agreement and applicable FCC Regulations, to assist the Operating Trustee in accomplishing the divestiture of the Disposition Property, including using its reasonable best efforts to provide such information as is required by the Operating Trustee to effect such divestiture.

(c) Communications Regarding Fiduciary Matters. Communications between the Trustees and Grantor regarding the fiduciary obligations owed by the Trustees to Grantor shall be permitted at any time.

(d) The Operating Trustee shall retain copies of all written communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors. The Operating Trustee shall prepare (or, as appropriate, instruct its Advisors to prepare) and retain a contemporaneous written summary of all oral communications between the Operating Trustee or its Advisors and Grantor, its affiliates or its Advisors, pursuant to subsections (b) and (c) of this Section 12, provided that such summary shall not be required for oral communications that are ministerial or non-substantive in nature, or are otherwise not material to the performance of the Operating Trustee's fiduciary obligations to Grantor or its efforts to (a) divest the Disposition Property or (b) effect an Alternate Disposition in accordance with the terms of this Agreement. All written communications and summaries of oral communications shall be maintained by the Operating Trustee, or its designee, at a location in the Washington, D.C. area, and shall be made available upon request for inspection by the Media Bureau during normal business hours.

(e) Subject to a customary confidentiality agreement and to the terms of any other agreement to which the Trust is a party or otherwise subject, the Operating Trustee shall permit prospective purchasers of the Disposition Property in an Alternate Disposition (at the request of the Grantor) to have access to any and all financial or operational information to which the Operating Trustee has access, as may be relevant to divestiture of the Disposition Property.

(f) All notices, requests, consents, approvals, waivers and demands among the parties hereto (collectively, "Notices") shall be deemed to have been given if in writing and:

(i) personally delivered against a written receipt; (ii) sent by confirmed telephonic facsimile; or (iii) delivered to a reputable express messenger service (such as Federal Express, DHL Courier or United Parcel Service) for overnight delivery, addressed as follows (or to such other address as such party shall have given notice to one another):

(A) If to Grantor:

MediaOne TWE Holdings, Inc.
1201 N. Market Street
Suite 1405
Wilmington, DE 19801
Attn: Abe Patlov, President
Fax: 302-658-1600

(B) If to the Operating Trustee:

Edith E. Holiday
801 West Street
2nd Floor
Wilmington, DE 19801
Fax:

(C) If to the Delaware Trustee:

The Capital Trust Company
of Delaware
One Little Falls Centre I
Suite 210
2711 Centreville Road
Wilmington, DE 19808
Attn: Corporation Trust and Transaction
Services
Fax: 302-636-8585

The period in which a response to any such Notice must be given shall commence to run from the date of the receipt of a personally delivered Notice, or the date of confirmation of a telephonic facsimile, or two (2) days following the proper delivery of the Notice to a reputable express messenger service, as the case may be.

(g) For purposes of this Section 12, the term "TWE" shall include TWE and any other issuer of securities or ownership interests constituting Disposition Property and the term "MOTH TWE Interest" shall include the MOTH TWE Interest and any other Disposition Property.

13. Termination.

(a) Subject to the provisions of Sections 13(e) and 17(e), the Trust shall dissolve upon written election by Grantor delivered to the Trustees, provided that one of the following events has occurred (any such event, a "Dissolution Event"):

(i) divestiture of all of the Disposition Property and the payment of all proceeds to the order of Grantor with respect to such divestiture, in the manner provided in Sections 5(e) and 6(a);

(ii) expiration of the six-month period following the 5-Year Period, provided, however, that if any portion of the Disposition Property remains in the Trust at the expiration of the six-month period following the 5-Year Period, the Trust will continue until the FCC either approves the dissolution of the Trust or the remainder of the Disposition Property has been divested and all proceeds due to the order of Grantor with respect to such divestiture have been paid, in the manner provided in Sections 5(e) and 6(a); or

(iii) AT&T Comcast ceases directly or indirectly to own any beneficial interest in the Trust.

(b) Upon dissolution of the Trust, the Operating Trustee shall take such action as is necessary or appropriate to deliver to the order of Grantor, or such other party designated by Grantor in writing to the Operating Trustee, all property then held by the Trust or the Operating

Trustee on behalf of the Trust pursuant to this Agreement, subject to satisfaction (whether by payment or reasonable provision therefor) of claims of all creditors of the Trust (other than Grantor) including, without limitation, the Trustees. The Operating Trustee shall have a reasonable period to conclude the administration of the Trust, and shall be compensated for all reasonably necessary services performed after the dissolution date. Following completion by the Operating Trustee of the actions required by this Section 13(b), the Operating Trustee shall provide written notice to Grantor and, upon written request of Grantor, the Trustees shall terminate the legal existence of the Trust by canceling the Certificate of Trust in accordance with the Act.

(c) Notwithstanding any other provision of this Section 13, upon a Dissolution Event, Grantor may elect, in lieu of dissolving the Trust, to terminate this Agreement and to convert the Trust into a Delaware limited liability company, Delaware corporation or other legal entity, which conversion shall be upon such terms as Grantor shall deem appropriate; provided that upon completion of such conversion all rights, obligations, assets and liabilities of the Trust remain, under applicable law, rights, obligations, assets and liabilities of the entity so created. The Trustees shall cooperate with Grantor in connection with the foregoing.

(d) At any time, subject to the Governing Agreements, Grantor may cause the Trustees to merge the Trust with Trust I, or to transfer all of the assets and liabilities of the Trust (including, without limitation, the Disposition Property) to Trust I, or to accept a transfer of all of the assets and liabilities of Trust I to the Trust; provided that, in each case and to the extent required under the Governing Agreements, the successor or transferee trust shall assume the obligations of the merged or transferor trust under the Governing Agreements (other than the Declaration of Trust of the merged or transferor trust). For purposes of this Section 13(d), the

term "Governing Agreements" includes the "Governing Agreements" as defined in this Agreement and in the Declaration of Trust of the successor or transferee, or merged or transferor, trust, as the case may be.

(e) At the closing of the TWE Restructuring, the Trustees shall (i) effect such assignments of the MOTH TWE Assumed Rights and MOTH TWE Assumed Obligations to Trust I and/or Trust II as the Grantor shall request in writing and (ii) immediately following such assignment (or if there is no such assignment, then at the closing of the TWE Restructuring) cause the Trust to merge with and into Grantor, pursuant to such terms as the Grantor shall deem appropriate, or to dissolve.

14. Modification. This Agreement shall not be modified except by an instrument in writing executed by Grantor and the Operating Trustee; provided that the rights, duties, responsibilities and compensation of the Delaware Trustee shall not be changed without the prior written consent of the Delaware Trustee. No modifications of this Agreement, except for modifications that are insubstantial and immaterial, shall be made unless approved by the Media Bureau. A request for approval of a modification of this Agreement shall be deemed approved unless the Media Bureau notifies the Operating Trustee, in writing and within 14 days of receipt of such request from the Operating Trustee, that it objects to such modification. A copy of any insubstantial and immaterial modification in the Trust shall be filed with the FCC within ten days following the execution thereof, with a copy to the Media Bureau. The parties shall cooperate in the modification of this Agreement in the event changes or modifications are needed in order to bring this Agreement and the transactions contemplated hereby into compliance with applicable FCC Regulations or other applicable laws.

15. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. Subject to the power to delegate the performance of ministerial responsibilities hereunder as deemed necessary by the Operating Trustee, this Agreement shall not be assignable by the Trustees. Grantor shall be entitled to assign its rights hereunder to AT&T Comcast or any subsidiary thereof or any person who becomes the direct or indirect beneficial owner of the Disposition Property as a result of a merger or transfer of all or substantially all the assets of AT&T Comcast or any of its subsidiaries.

16. Confidentiality. This Agreement and all matters concerning the performance, enforcement and interpretation hereof shall be kept in strict confidence by the parties, except where disclosure is required by law, rule or regulation (including the Federal securities laws or FCC Regulations), to carry out the express purposes and terms of this Agreement, or in connection with any claims or actions relating to this Agreement.

17. Miscellaneous.

(a) If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining part of said provision or the remaining provisions of this Agreement.

(b) The headings of the sections and subsections of this Agreement are inserted for convenience of reference only and do not form a part or affect the meaning hereof.

(c) This Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (not including the choice of law rules thereof).

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

(e) The provisions of Sections 7, 12(f), 14, 15, 16 and 17 shall remain in effect, and shall survive, any termination of the Trust.

(f) The failure of Grantor or a Trustee to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision.

(g) This Agreement, together with the Certificate of Trust, is the complete and exclusive agreement between the parties with respect to the creation, operation and termination of the Trust, superseding and replacing any and all prior agreements, communications and understandings, written or oral, regarding such Trust.

(h) Neither Trustee shall have any duty or other obligation to pay, provide or arrange for the provision of funds necessary to perform such Trustee's duties under this Agreement, other than the provision of the written notices to Grantor pursuant to Section 7 hereof. Neither Trustee shall have any personal liability for the payment of any Trust expense or obligation to third parties whatsoever.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

MEDIAONE TWE HOLDINGS, INC.

By: _____

Name:

Title:

Edith E. Holiday

THE CAPITAL TRUST COMPANY OF
DELAWARE

By: _____

Name:

Title: