

SCHEDULE VI-C-2
 FORECASTED INCOME STATEMENTS
 (In Thousands)
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	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Other income and expenses:										
Depreciation										
Amortization										
Interest income										
Interest expense										
Total, other income and expenses										
Income before income taxes and extraordinary items										
Income taxes:										
Currently payable										
Deferred										
Extraordinary items:										
Tax benefits resulting from realization of operating loss carry forward										
Other (itemize):										
Net income										

SCHEDULE VI-C-2
 FORECASTED INCOME STATEMENTS
 (In Thousands)
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	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Retained earnings, beginning of year										
Dividends										
Other distributions										
Retained earnings, end of year										

FORECASTED STATEMENTS OF CASH FLOW
(In Thousands)

For the Year Ended December 31

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Operating activities:										
Net income (loss) before extraordinary items	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Adjustments for noncash and nonoperating items:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Depreciation	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Amortization	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Gain (loss) from investments	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Gain (loss) from sale of assets, net	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Deferred income taxes	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net increase (decrease) in working capital items (see separate schedule below)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net cash flows from operating activities	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Cash flows from investing activities	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Capital expenditures	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Acquisitions and investments	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Disposition of investments and assets	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net cash used by investing activities:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Cash flows from financing activities:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Payments and redemption of debt	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Proceeds from issuance of debt	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Proceeds from issuance of preferred stock	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Proceeds from issuance of common stock	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Purchase of treasury stock	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Dividends and distributions	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Other	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net cash provided (used) from financing activities	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net increase (decrease) in cash and equivalents	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Schedule of working capital items:										
Net change in:										
Receivables	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inventories	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Accounts payable and accrued expenses	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Other balance sheet changes	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Net increase (decrease) in working capital items	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

ACCOUNTING POLICIES FOR
SCHEDULES V-C-1 THROUGH V-C-3

Please describe the accounting policies used in preparing Schedules V-C-1 through V-C-3. Do not fail to specifically address:

- Accounting for revenues and expenses
- Income taxes
- Capitalization of interest
- Depreciation and amortization

SCHEDULE VI-D-1

SUMMARY OF KEY ASSUMPTIONS - ENTIRE FRANCHISE AREA (1)
PAGE 1 OF 1

ASSUMPTION	Total All Years	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
HOUSEHOLDS PASSED											
STREET MILES PASSED											
STREET MILES IN PLACE											
Aerial											
Underground											
PERCENT UNDERGROUND											
AVERAGE EXPENDITURE PER DISTRIBUTION PLANT MILE (2)											
TOTAL DISTRIBUTION PLANT EXPENDITURES											
AVERAGE COST PER SUB FOR SUBSCRIBER DEVICES (2)											
AVERAGE YEARLY SUBSCRIBERS											
AVERAGE YEARLY SUBS SUBSCRIBING TO ONE OR MORE PAY SERVICE OR HIGHER TIER											
AVERAGE MONTHLY REVENUE PER SUBSCRIBER (3)											

- (1) AS A FOOTNOTE TO THIS SCHEDULE, IDENTIFY THE SOURCE OF DATA ON NUMBER OF HOUSEHOLDS AND PLANT MILES
- (2) SEE SCHEDULE VI-E-2 FOR A LISTING OF ITEMS TO BE CLASSIFIED AS DISTRIBUTION PLANT AND AS SUBSCRIBER DEVICES
- (3) EXCLUSIVE OF INSTALLATION, BUSINESS AND MISCELLANEOUS REVENUE

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SCHEDULE VI-E-1 - Page 1 of 1

PRIMARY ASSUMPTIONS FOR
SCHEDULES VI-E-2 THROUGH VI-E-5

Please describe the primary assumptions used in preparing Schedules VI-E-2 through VI-E-5 and provide appropriate support for the reasonableness of those assumptions. Do not fail to specifically address the following items:

- The source and reasonableness of the costs assumed for the various components of constructing the system, including subscriber devices.
- The computation of the construction cost per plant mile and of the cost of subscriber devices per subscriber.
- The reasonableness of the pace of construction and installation assumed.
- The basis for your split of plant miles between aerial, underground through conduit, and underground outside conduit.
- The basis for valuing the franchise.

AVERAGE CONSTRUCTION COST PER PLANT MILE; COST OF SUBSCRIBER DEVICES PER SUBSCRIBER

	Engineering	Make Ready	Labor	Cable & Electronics	Other	Total
Aerial						
Underground: Through duct space already in place						
Requiring trenching, new duct space, utility rearrangement, etc.						
Total						

SCHEDULE VI-E-3 - Page 2 of 2

COST OF SUBSCRIBER DEVICES PER SUBSCRIBER

	<u>Per Subscriber</u>		
	Type 1 (____)	Type 2 (____)	Type 3 (____)
<u>Converter</u>	<u>Converter</u>	<u>Converter</u>	
Converters	_____	_____	_____
Other equipment	_____	_____	_____
Labor	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____

SCHEDULE VI-E-5
DEPRECIATION AND AMORTIZATION
PAGE 1 OF 1

	LIFE / AMORTIZATION PERIOD	METHOD	BALANCE AT END OF PREMATURITY PERIOD	ANNUAL DEPRECIATION AND AMORTIZATION										
				1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
BUILDINGS														
HEADEND														
DISTRIBUTION (TRUNK AND FEEDER)														
SUBSCRIBER DEVICES														
PROGRAM ORIGINATION EQUIPMENT														
OTHER PLANT AND EQUIPMENT														
TOTAL														

FIRST YEAR OF PREMATURITY PERIOD: _____

LAST YEAR OF PREMATURITY PERIOD: _____

ESTIMATED NUMBER OF SUBSCRIBERS AT END
OF PREMATURITY USED AS BASIS FOR
DEPRECIATION AND AMORTIZATION COMPUTATIONS: _____

PRIMARY ASSUMPTIONS FOR
SCHEDULES VI-F-3 THROUGH VI-F-7

If not provided elsewhere in your response to Schedules VI-F-3 through VI-F-7, please describe the primary assumptions used in preparing those schedules and provide appropriate support for the reasonableness of those assumptions. Do not fail to specifically address the following items:

- The basis on which you have determined that the rate of return forecasted to be earned is adequate. What is that return? How did you calculate it, and to what standard or norm was it compared? How have tax "benefits" been incorporated? Who is to receive the tax benefits?
- Why you have, or will be able to, obtain the debt and equity financing required. Do not forget to cite similar financings completed by your organization or the investment banker you have engaged.
- The cost of the debt or financing, including fees to investment bankers or brokers involved.

FORECASTED DEBT SERVICE BY EXTERNAL FINANCING SOURCE (IN THOUSANDS)
DEBT SERVICE PAYMENTS

FINANCING SOURCE	BALANCE BEGINNING OF YEAR	ADDITIONS TO PRINCIPAL	INTEREST RATE	ACCRUED INTEREST (1)	REDUCTION OF PRINCIPAL	INTEREST	TOTAL PAYMENT	BALANCE END OF YEAR
YR. 1								
YEAR 1 TOTAL								
YR. 2								
YEAR 2 TOTAL								
YR. 3								
YEAR 3 TOTAL								
YR. 4								
YEAR 4 TOTAL								

(1) PLACE AN ASTERISK BY THE ACCRUED INTEREST WHICH IS CAPITALIZED IN THE FORECASTED FINANCIAL STATEMENTS

FORECASTED DEBT SERVICE BY EXTERNAL FINANCING SOURCE (IN THOUSANDS)
DEBT SERVICE PAYMENTS

FINANCING SOURCE	BALANCE BEGINNING OF YEAR	ADDITIONS TO PRINCIPAL	INTEREST RATE	ACCRUED INTEREST (1)	REDUCTION OF PRINCIPAL	INTEREST	TOTAL PAYMENT	BALANCE END OF YEAR
YR. 5								
YEAR 5 TOTAL								
YR. 6								
YEAR 6 TOTAL								
YR. 7								
YEAR 7 TOTAL								
YR. 8								
YEAR 8 TOTAL								

(1) PLACE AN ASTERISK BY THE ACCRUED INTEREST WHICH IS CAPITALIZED IN THE FORECASTED FINANCIAL STATEMENTS

FORECASTED DEBT SERVICE BY EXTERNAL FINANCING SOURCE (IN THOUSANDS)
DEBT SERVICE PAYMENTS

FINANCING SOURCE	BALANCE BEGINNING OF YEAR	ADDITIONS TO PRINCIPAL	INTEREST RATE	ACCRUED INTEREST (1)	REDUCTION OF PRINCIPAL	INTEREST	TOTAL PAYMENT	BALANCE END OF YEAR
YR. 9								
YEAR 9 TOTAL								
YR. 10								
YEAR 10 TOTAL								

(1) PLACE AN ASTERISK BY THE ACCRUED INTEREST WHICH IS CAPITALIZED IN THE FORECASTED FINANCIAL STATEMENTS

DESCRIPTION OF EXTERNAL DEBT FINANCING BY SOURCE

DATE: _____

1. Who is the source of the debt? Organization or individual's name _____
 Address _____
 Telephone number _____
 Contact name for verification _____

2. How much debt financing will you obtain from this source? _____

3. Primary purpose of this debt. _____

4. Is there a written commitment for this debt financing? YES (please include) _____ NO _____

5. If the source, i.e., lender, is not a bank or other type of financial institution, explain how the source will obtain the funds to lend. If the source is itself borrowing the funds, also describe the terms of that debt. If the borrowing is under a line of credit arrangement, also address in the response to this question, the items raised in #8 below.

6. Is the external financing source (see definitions) an investment banker, broker/dealer, venture capitalist, financial consultant, etc. being engaged in a fee or percentage basis to raise the debt funds? What type of arrangement is there with this organization? Best efforts? Firm underwriting? Other? Explain fully and provide information in support of this organization's ability to raise this amount of capital for the applicant.

7. Under the terms of the commitment, can the debt financing be used for purposes other than this project?

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DESCRIPTION OF EXTERNAL DEBT FINANCING BY SOURCE

- If the source is providing the money under a line of credit arrangement, how much of the line is currently committed at approximately January 1, for purposes other than this project? When does the line expire or come up for renewal or renegotiation? Is there a requirement to be out of the line for some period during each year?
9. Please specify the circumstances under which the commitment can be withdrawn. Is it subject to withdrawal after a certain period of time (specify)? Is it subject to negotiation of all or some terms?
10. What are the terms of the commitment? Has the source of the debt committed to the terms or are they being assumed for purposes of this financial forecast?
- | | | | | | |
|--|-------|-----------|-------|---------|-------|
| a) Interest Rate | _____ | COMMITTED | _____ | ASSUMED | _____ |
| b) Term (Maturity) | _____ | COMMITTED | _____ | ASSUMED | _____ |
| c) Principal Reduction | _____ | COMMITTED | _____ | ASSUMED | _____ |
| d) Other terms (e.g., participation in gross by lender, renegotiations of interest rate, etc.) | | | | | |

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DESCRIPTION OF EXTERNAL EQUITY FINANCING BY SOURCE

NOTE: _____

1. Who is the source of the debt? Organization or individual's name _____
 Address _____
 Telephone number _____
 Contact name for verification _____

2. How much debt financing will you obtain from this source? _____

3. What form will the equity take? COMMON STOCK \$ _____
 PREFERRED STOCK _____
 REDEEMABLE PREFERRED STOCK _____
 GENERAL PARTNER CAPITAL _____
 LIMITED PARTNER CAPITAL _____
 OTHER (SPECIFY) _____

 TOTAL (SHOULD EQUAL #2) \$ _____

4. Is there a written commitment for this debt financing? YES (please include) _____ NO _____

5. Under the terms of the commitment, can the equity from this source be used for purposes other than this project? If so, how much of the total is earmarked for this project?

6. Where will this source obtain the equity to be invested? From operations? From borrowings? Other?

7. Is the external financing source (see definitions) an investment banker broker/dealer, venture capitalist, financial consultant, etc. being engaged on a fee or percentage basis to raise the equity? What type of arrangement is there with this organization? Best efforts? Firm underwriting? Other? Explain fully and provide information in support of this organization's ability to raise this amount of equity for the applicant.

DESCRIPTION OF EXTERNAL EQUITY FINANCING BY SOURCE

. Please specify the circumstances under which the commitment can be withdrawn. Is it subject to withdrawal after a certain period of time (specify)? Is it subject to negotiation of all or some terms?

. What are the terms under which the equity is being provided? Have these terms been agreed to or are they being assumed for purposes of this financial forecast?

- | | | |
|---|-----------------|---------------|
| a) Preferred Dividend Rate _____ | COMMITTED _____ | ASSUMED _____ |
| b) Buy-out or buy-back Provisions (explain fully: _____ | COMMITTED _____ | ASSUMED _____ |
| c) Limitations on raising or pay-in of additional equity: _____ | COMMITTED _____ | ASSUMED _____ |
| d) Limitations on sale of this equity interest? _____ | COMMITTED _____ | ASSUMED _____ |
| e) Preference on cash distributions? _____ | COMMITTED _____ | ASSUMED _____ |

0. What is the estimated percentage of ownership this source of equity will have during the first three years of the project?

PRIMARY ASSUMPTIONS FOR
SCHEDULES VI G-2 through VI-G-4

Please describe the primary assumptions used in preparing Schedules VI-G-2 through VI-G-4 and provide appropriate support for the reasonableness of those assumptions. Do not fail to specifically address the following items:

- The basis for your estimates of the number of households which will subscribe to the system, including prior experience and market research conducted in the City.
- The basis for your estimates of the number of higher tier and pay service units which will be sold, including prior experience and market research conducted in the City.
- The basis for the revenue forecasted from nonresidential services, i.e., advertising, leased channels, commercial establishments, etc., including prior experience and market research conducted in the City.
- The rate increase assumptions used.

RFPVI-F6