any such transaction that are received by, or any such negotiations or discussions that are sought to be initiated with, the Company or any of its Subsidiaries after the date hereof, will advise Parent of the identity of any Person making any such Acquisition Proposal and of the material terms thereof, and shall keep Parent apprised with respect to all material matters relating thereto. Nothing contained in this Agreement shall prohibit or restrict the Company's Board of Directors from taking and disclosing to the Company's stockholders a position in accordance with Rules 14d-9 and 14e-2 under the Exchange Act with respect to a tender offer or an exchange offer for Shares commenced by a third party, provided that Parent shall be given reasonable advance notice thereof, and provided, further, that nothing in this Agreement shall be deemed to relieve the Cable Stockholders from their obligations under the Voting Agreement.

7.3. Stockholder Approval. (a) Pursuant to the Voting Agreement, each of the Cable Stockholders has agreed to execute, or cause to be executed, immediately following execution and delivery of this Agreement a written consent with respect to all Shares owned by it or which it has the right to vote or consent in favor of approval and adoption of the Merger and this Agreement (the "Stockholders Consent"). Notwithstanding the foregoing, if Parent so requests, the Company will take all action necessary in accordance with applicable law and its Certificate of Incorporation and By-Laws to convene a meeting of its stockholders to consider and vote upon the approval and adoption of this Agreement and the transactions contemplated hereby, and to submit this Agreement to the stockholders of the Company for their approval, or to solicit a further written consent, in lieu of a stockholders' meeting, of its stockholders approving and adopting this Agreement and the transactions contemplated hereby, and the Company and its Board of Directors shall take all lawful reasonable action to solicit, and use all reasonable efforts to obtain, such approval.

(b) Notwithstanding the provisions of Section 7.3(a), after the adoption of this Agreement by the stockholders of the Company, without the affirmative approval, by vote or written consent, of the holders of Shares representing a majority of the votes that may be cast by the holders of all then outstanding Shares, the Company will not (i) enter into any amendment to this Agreement that would alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of Shares, (ii) waive any condition set forth in Section 8.1 or Section 8.3 if such waiver would materially adversely affect the holders of Shares or (iii) consummate the Merger after a time at which the Company would be entitled to terminate the Agreement pursuant to Section 9.2(a) (without regard to any amendment of such Section not approved pursuant to this Section 7.3(b)).

(c) Parent, as the sole stockholder of Merger Sub, hereby consents to the adoption of this Agreement by Merger Sub and agrees that such consent shall be treated for all purposes as a vote duly adopted at a meeting of the stockholders of Merger Sub held for this purpose.

7.4. Registration Statement. Parent will, as promptly as practicable, prepare and file with the SEC a registration statement on Form S-4 (the "S-4 Registration Statement"), containing an information statement/prospectus, in connection with the registration under the Securities Act of the Parent Common Shares issuable upon conversion of the Shares and the other transactions contemplated hereby. The Company will, as promptly as practicable, prepare and file with the SEC an information statement that will be the same information statement/prospectus contained in the S-4 Registration Statement (such information statement/prospectus together with any amendments thereof or supplements thereto, in the form or forms mailed to the Company's stockholders, "Information Statement/Prospectus"). Parent and the Company will use all reasonable efforts to have or cause the S-4 Registration Statement to be declared effective as promptly as practicable, and also will take any other action reasonably required to be taken under federal or state securities laws, and the Company will use all reasonable efforts to cause the Information Statement/Prospectus to be mailed to stockholders of the Company at the earliest practicable date. If, pursuant to Section 7.3, Parent requests a meeting of the stockholders of the Company, then the S-4 Registration Statement shall include a proxy statement/prospectus meeting the requirements of the Exchange Act and all references herein to the Information Statement/Prospectus shall be deemed to refer to such proxy statement/prospectus. Each party hereto agrees to cooperate reasonably with each other party in connection with the preparation and filing of the S-4 Registration Statement and Information Statement/Prospectus, and of the registration statement and the proxy statement/prospectus to be used in connection with the ACC Agreement, including providing information to the other party with respect to itself as may be reasonably required in connection therewith.

7.5. Reasonable Efforts. (a) Subject to Section 7.5(c), the Company and Parent shall, and shall use all reasonable efforts to cause their respective Subsidiaries, as applicable, to: (i) promptly make all filings and seek to obtain all Authorizations required under all applicable Laws with respect to the Merger and the other transactions contemplated hereby and will reasonably consult and cooperate with each other with respect thereto; (ii) not take any action (including effecting or agreeing to effect or announcing an intention or proposal to effect, any acquisition, business combination or other transaction) which would impair the ability of the parties to consummate the Merger (regardless of whether

such action would otherwise be permitted or not prohibited hereunder); and (iii) use all reasonable efforts to promptly take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or appropriate to satisfy the conditions set forth in Article VIII (unless waived) and to consummate and make effective the transactions contemplated by this Agreement on the terms and conditions set forth herein (including seeking to remove promptly any injunction or other legal barrier that may prevent such consummation); provided, however, that nothing in this sentence shall prohibit the Company from effecting the transactions contemplated by the ACC Agreement in accordance with its terms. Each party shall promptly notify the other party of any communication to that party from any Governmental Body in connection with any required filing with, or approval or review by, such Governmental Body in connection with the Merger and permit the other party to review in advance any proposed communication to any Governmental Body in such connection to the extent permitted by applicable law. Notwithstanding the foregoing, in connection with any filing or submission required or action to be taken by either the Company or Parent or any of their respective Subsidiaries to effect the Merger and to consummate the other transactions contemplated hereby, (A) neither the Company nor any of its Subsidiaries shall, without Parent's prior written consent, commit to any divestiture or hold separate or similar transaction and each of the Company and its Subsidiaries shall commit to, and shall use reasonable efforts to effect, such thereof (which may, at the Company's option, be conditioned upon and effective as of the Effective Time) as Parent shall request, and (B) neither Parent nor any of its Subsidiaries shall be required to divest or hold separate or otherwise take (or refrain from taking) or commit to take (or refrain from taking) any action that limits its freedom of action with respect to, or its ability to retain, the Company or any of its Subsidiaries or any material portion of the assets of the Company and its Subsidiaries, or any of the business, product lines or assets of Parent or any of its Subsidiaries, if any of the foregoing, individually or in the aggregate, would have a Material Adverse Effect on the Company (or an effect on Parent and its Subsidiaries that, were such effect applied to the Company and its Subsidiaries, would constitute a Material Adverse Effect on the Company).

(b) The Company and its Subsidiaries shall use their reasonable best efforts (i) not to take any action (regardless of whether such action would otherwise be permitted or not prohibited hereunder) that, to the Company's knowledge based on consultation with its independent accountants (which consultation shall be required before the Company may use its lack of knowledge as a defense), prevents or would prevent Parent from accounting for the Merger as a pooling of interests and (ii) to take any action necessary to cure any action previously taken by or any condition relating to the Company or

any of its Subsidiaries that, to the Company's knowledge based on consultation with its independent accountants (which consultation shall be required before the Company may use its lack of knowledge as a defense), prevents or would prevent Parent from accounting for the Merger as a pooling of interests, in each case unless Parent shall have irrevocably and unconditionally waived in writing the condition set forth in Section 8.2(e).

(c) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall prevent or restrict Parent and its Subsidiaries from engaging in any merger, acquisition, business combination or other transaction (whether or not Parent is the surviving corporation); provided that such merger, acquisition, business combination or other transaction would not (i) prevent, or delay beyond March 31, 1999, the ability of Parent to consummate the Merger or (ii) cause the Merger, or the merger contemplated by the ACC Agreement, to fail to qualify as a tax-free reorganization.

7.6. Access to Information. Subject to currently existing contractual and legal restrictions applicable to the Company (which the Company represents and warrants are not material), and upon reasonable notice, the Company shall (and shall cause each of its Subsidiaries to) afford to officers, employees, counsel, accountants and other authorized representatives of Parent ("Parent Representatives") reasonable access, during normal business hours throughout the period prior to the Effective Time, to its properties, books and records (including, subject to execution of appropriate access letters, the work papers of independent accountants), such access not to unreasonably interfere with the Company's business or operations, and, during such period, shall (and shall cause each of its Subsidiaries to) furnish promptly to such Parent Representatives all information concerning its business, properties and personnel as may reasonably be requested, provided that no investigation pursuant to this Section 7.6 shall affect or be deemed to modify any of the respective representations or warranties made by the Company. Parent agrees that it will not, and will cause the Parent Representatives not to, use any information obtained pursuant to this Section 7.6 for any purpose unrelated to the consummation of the transactions contemplated by this Agreement. Subject to the requirements of law, Parent will keep confidential, and will cause the Parent Representatives to keep confidential, all information and documents obtained pursuant to this Section 7.6 except as otherwise consented to by the Company; provided, however, that Parent shall not be precluded from making any disclosure which it deems required by law in connection with the Merger. In the event Parent is required to disclose any information or documents pursuant to the immediately preceding sentence, Parent shall promptly give prior written notice of such disclosure that is proposed to be made to the Company so that

Parent and the Company can work together to limit the disclosure to the greatest extent possible and, in the event that Parent is legally compelled to disclose any information, to seek a protective order or other appropriate remedy or both. Upon any termination of this Agreement, Parent will collect and deliver to the Company all documents obtained pursuant to this Section 7.6 or otherwise from the Company or its Subsidiaries by Parent or the Parent Representatives then in their possession and any copies thereof. All requests for access to the Company and their Subsidiaries pursuant to this Section 7.6 shall be made through the representatives of the Company named in Section 7.6 of the Company Disclosure Statement.

7.7. Indemnification of Directors and Officers. (a) From and after the Effective Time, Parent and the Surviving Corporation shall jointly and severally indemnify, defend and hold harmless the present and former officers, directors and employees of the Company and any of its Subsidiaries, and any Person who is or was serving at the request of the Company as an officer, director or employee or agent of another Person, against all losses, expenses, claims, damages or liabilities arising out of actions or omissions occurring on or prior to the Effective Time (including the transactions contemplated by this Agreement) to the fullest extent permitted under applicable Law (and shall also, subject to Section 7.7(b), advance expenses as incurred to the fullest extent permitted under applicable Law, provided that the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification); provided, however, that such indemnification shall be provided only to the extent any directors' and officers' liability insurance policy of the Company or its Subsidiaries does not provide coverage and actual payment thereunder with respect to the matters that would otherwise be subject to indemnification hereunder (it being understood that the Surviving Corporation shall, subject to Section 7.7(b), advance expenses on a current basis as provided in this paragraph (a) notwithstanding such insurance coverage to the extent that payments thereunder have not yet been made, in which case Parent or the Surviving Corporation, as the case may be, shall be entitled to repayment of such advances from the proceeds of such insurance coverage). Parent and Merger Sub agree that all rights to indemnification, including provisions relating to advances of expenses incurred in defense of any action, suit or proceeding, whether civil, criminal, administrative or investigative (each, a "Claim"), existing in favor of the present or former directors, officers, employees, fiduciaries and agents of the Company or any of its Subsidiaries, and any Person who is or was serving at the request of the Company as an officer, director or employee or agent of another Person (collectively, the "Indemnified Parties") as provided in the Company's Certificate of Incorporation or By-Laws or pursuant to other agreements, or certificates of incorporation or by-laws or

similar documents of any of the Company's Subsidiaries, as in effect as of the date hereof, with respect to matters occurring through the Effective Time, shall survive the Merger and shall continue in full force and effect for a period of not less than six years from the Effective Time; provided, however, that all rights to indemnification in respect of any Claim asserted, made or commenced within such period shall continue until the final disposition of such Claim. The Surviving Corporation shall maintain in effect for not less than six years after the Effective Time the current policies of directors' and officers' liability insurance maintained by the Company and the Company's Subsidiaries with respect to matters occurring prior to the Effective Time; provided, however, that (i) the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions which are no less advantageous to the Indemnified Parties with an insurance company or companies, the claims paying ability of which is substantially equivalent to the claims paying ability of the insurance company or companies providing such insurance coverage for directors and officers of Parent and (ii) the Surviving Corporation shall not be required to pay an annual premium for such insurance in excess of three times the last annual premium paid prior to the date hereof, but in such case shall purchase as much coverage as possible for such amount.

(b) In the event that any Claim relating hereto or to the transactions contemplated by this Agreement is commenced, before the Effective Time, the parties hereto agree to cooperate and use their respective reasonable efforts to vigorously defend against and respond thereto. Any Indemnified Party wishing to claim indemnification under paragraph (a) of Section 7.7, upon learning of any such claim, action, suit, proceeding or investigation, shall promptly notify Parent thereof, whereupon Parent or the Surviving Corporation shall have the right, from and after the Effective Time, to assume and control the defense thereof, and upon such assumption, the Surviving Corporation shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof. The Surviving Corporation shall not be liable for any settlement effected without its prior written consent.

(c) This Section 7.7 is intended to benefit the Indemnified Parties and shall be binding on all successors and assigns of Parent, Merger Sub and the Surviving Corporation.

7.8. Registration and Listing of Parent Common Shares. (a) Parent will use all reasonable efforts to register the Parent Common Shares to be issued pursuant to this

Agreement, and upon exercise of stock options granted to employees of the Company and its Subsidiaries, under the applicable provisions of the Securities Act and, if required, under any applicable state securities laws.

(b) Parent will use all reasonable efforts to cause the Parent Common Shares to be issued pursuant to this Agreement and upon exercise of stock options granted to employees of the Company and its Subsidiaries, to be listed for trading on the NYSE.

7.9. Affiliates of Parent and the Company. Concurrently with the execution of this Agreement, each of the directors of the Company has executed an agreement to the effect set forth in this Section 7.9. Prior to the Effective Time, the Company shall deliver to Parent a letter identifying all other Persons who, to the Company's knowledge, at the time of the execution and delivery of the Stockholders Consent or at the Effective Time, may be deemed to be "affiliates" of the Company for purposes of Rule 145 under the Securities Act or who may otherwise be deemed to be Affiliates of the Company (the "Rule 145 Affiliates"). The Company shall use all reasonable efforts to cause each Person who is identified as a Rule 145 Affiliate in such list to deliver to Parent on or prior to the 30th day prior to the Effective Time, a written agreement, in the form attached hereto as Exhibit A, that such Rule 145 Affiliate will not (a) sell, pledge, transfer or otherwise dispose of any Parent Common Shares issued to such Rule 145 Affiliate pursuant to the Merger, except pursuant to an effective registration statement or in compliance with Rule 145 under the Securities Act or an exemption from the registration requirements of the Securities Act, or (b) sell, pledge, transfer or otherwise dispose of, or hedge or otherwise reduce its risk with respect to, any Shares or any Parent Common Shares, in each case from the 30th day prior to the Effective Time to the time that results covering at least 30 days of combined operations of the Company and Parent have been published by Parent in the form of a quarterly earnings report, an effective registration statement filed with the SEC, a report to the SEC on Form 10-K, 10-Q or 8-K, or any other public filing or announcement which includes the combined results of operations.

7.10. Tax Matters. Each of the parties shall use all reasonable efforts to cause each of (i) the Merger and (ii) the merger contemplated by the ACC Agreement to constitute a tax-free "reorganization" under Section 368(a) of the Code. None of the parties will knowingly take any action, and none of the parties will permit any of its Subsidiaries or Affiliates knowingly to take any action, that would cause either (i) the Merger or (ii) the merger contemplated by the ACC Agreement to fail to qualify as tax-free reorganizations under Section 368(a) of the Code. Each of the parties shall use all

reasonable efforts to permit Wachtell, Lipton, Rosen & Katz and Dow, Lohnes & Albertson, PLLC to issue their opinions provided in Sections 8.2(d) and 8.3(d), respectively, and to permit Dow, Lohnes & Albertson, PLLC to issue its opinion pursuant to Section 6.3.7 of the ACC Agreement as in effect on the date hereof. If so requested by Wachtell, Lipton, Rosen & Katz or Dow, Lohnes & Albertson, PLLC, the Company shall deliver to each such counsel a certificate signed by an officer of the Company to the effect that, except to the extent set forth and identified in such certificate, to the knowledge of the Company, there is no plan or intention by the stockholders of the Company who own 5% or more of the issued and outstanding Shares, and, to the knowledge of the Company, there is no present plan or intention on the part of the remaining stockholders of the Company to sell, exchange, or otherwise dispose of Parent Common Shares received in the Merger (it being understood that Shares exchanged for cash in lieu of fractional Parent Common Shares and Shares and Parent Common Shares held by stockholders of the Company and otherwise sold, redeemed or disposed of prior or subsequent to the Merger will be considered in making this representation). Each party agrees to report the Merger on all tax returns and other filings as a tax-free reorganization under Section 368(a) of the Code.

7.11. New York Real Property Transfer Tax. Any liability arising out of New York State and/or New York City Real Property Transfer Taxes, with respect to interests in real property owned, directly or indirectly, by the Company immediately prior to the Merger, if applicable and due with respect to the Merger, shall be borne by the Company and expressly shall not be a liability of the stockholders of the Company.

7.12. Employee Matters. As soon as practicable following the Closing (using reasonable best efforts to accomplish the transition by the later of January 1, 1999 or 90 days after Closing), all employees of the Company and its Subsidiaries who remain employed by the Company or its Subsidiaries (or who become employed by Parent or its Subsidiaries) immediately after the Closing ("Company Employees"), and their dependents and beneficiaries if applicable, shall be eligible to participate in the employee benefit and compensation arrangements, plans, programs and practices of the Parent generally applicable to other similarly situated employees of the Parent (the "Parent Plans"). Company Employees shall be credited with all service with the Company and its Subsidiaries and their predecessors prior to the Closing for purposes of determining eligibility to participate, vesting and benefit accrual (to the extent applicable) in the Parent Plans, but not for (i) purposes of benefit accruals under any of the Parent's defined benefit pension plans, or the schedule of benefits under Parent's severance pay and short-term disability plans and programs, (ii) eligibility to receive

post-retirement ancillary benefits (consisting at this time of medical, dental, death and telephone concession benefits) or (iii) calculating Parent service for purposes of "bridging" prior Parent service under Parent Plans. In the event any Company Employee's employment with Parent or its Subsidiaries is involuntarily terminated (other than for cause) prior to the first anniversary of the Closing, such Company Employee shall receive a severance benefit calculated in accordance with the schedule of benefits set forth in Section 7.12 of the Company Disclosure Statement, taking into account all years of such Company Employee's service, including service with the Company or its Subsidiaries and their predecessors prior to the Closing. Thereafter, Company Employees who remain employed by Parent or its Subsidiaries shall be eligible to participate in the applicable Parent severance pay plan, and benefits payable under the terms of such plan shall be based on such Company Employee's actual service with Parent or its Subsidiaries from and after Closing.

7.13. Certain Covenants of Parent. Except as otherwise permitted in this Agreement, prior to the Effective Time Parent will not, without the prior written consent of the Company, adopt a plan of complete or partial liquidation or dissolution, or authorize, recommend, propose or announce an intention to do so or enter into any contract, agreement, commitment or arrangement to do so.

7.14. Right of First Offer. Whenever the Company or any of its Subsidiaries intends to incur any indebtedness for borrowed money as permitted pursuant to Section 7.1(i) hereof, the Company shall notify Parent in writing of the expected terms, conditions, amount, uses, lenders or other alternative financing sources and other material provisions thereof (the "Proposed Financing") and shall provide Parent with the opportunity to provide all of the Proposed Financing on the same terms and conditions. Parent shall notify the Company of its determination to provide all of the Proposed Financing on such terms and conditions within seven business days of receipt of such notice from the Company. If Parent so elects to provide all of the Proposed Financing, the Company shall not enter into any alternative financing arrangements with respect thereto. If Parent does not elect to provide all of the Proposed Financing, the Company and its Subsidiaries may enter into the Proposed Financing with any Person other than Parent on terms and conditions no less favorable in any material respect to the Company and its Subsidiaries than those offered to Parent pursuant to this Section 7.14. Nothing in this Section 7.14 shall require Parent to accept any offer or to provide any Proposed Financing to the Company.

ARTICLE VIII

CONDITIONS

8.1. Conditions to Each Party's Obligations. The respective obligations of each party to consummate the transactions contemplated by this Agreement are subject to the fulfillment at or prior to the Effective Time of each of the following conditions, any or all of which may be waived in whole or in part by the party being benefitted thereby, to the extent permitted by applicable Law:

(a) Stockholder Approval. This Agreement and the transactions contemplated hereby shall have been duly approved and adopted or ratified by the requisite holders of Shares in accordance with applicable Law and the Certificate of Incorporation and By-Laws of the Company and the provisions of Section 7.3(b) hereof (it being agreed that the condition set forth in this Section 8.1(a) shall not be waived by the parties);

(b) HSR Act; FCC. Any waiting period applicable to the Merger under the HSR Act shall have expired or early termination thereof shall have been granted, and the FCC Consent shall have been granted, in each case without limitation, restriction or condition that has or would have a Material Adverse Effect on the Company (or an effect on Parent and its Subsidiaries that, were such effect applied to the Company and its Subsidiaries, would constitute a Material Adverse Effect on the Company).

(c) No Injunction. There shall not be in effect any judgment, writ, order, injunction or decree of any court or Governmental Body of competent jurisdiction, restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement or permitting such consummation only subject to any condition or restriction that has or would have a Material Adverse Effect on the Company (or an effect on Parent and its Subsidiaries that, were such effect applied to the Company and its Subsidiaries, would constitute a Material Adverse Effect on the Company).

(d) Registration Statement. The S-4 Registration Statement shall have been declared effective and shall be effective at the Effective Time, and no stop order suspending effectiveness shall have been issued, no action, suit, proceeding or investigation by the SEC to suspend the effectiveness thereof shall have been initiated and be continuing, and all necessary approvals under state securities laws or the Securities Act or Exchange Act relating to the issuance or trading of the Parent Common Shares shall have been received.

(e) Listing of Parent Common Shares on NYSE. The Parent Common Shares required to be issued hereunder shall have been approved for listing on the NYSE, subject only to official notice of issuance.

(f) Information Statement. At least twenty business days shall have elapsed from the mailing of the Information Statement/Prospectus to the stockholders of the Company.

8.2. Conditions to Obligations of Parent and Merger Sub. The respective obligations of Parent and Merger Sub to consummate the transactions contemplated by this Agreement are subject to the fulfillment at or prior to the Effective Time of each of the following additional conditions, any or all of which may be waived in whole or part by Parent and Merger Sub, as the case may be, to the extent permitted by applicable Law:

(a) Representations and Warranties True. The representations and warranties of the Company contained herein or otherwise required to be made after the date hereof in a writing expressly referred to herein by or on behalf of the Company pursuant to this Agreement, to the extent qualified by materiality or Material Adverse Effect, shall have been true and, to the extent not qualified by materiality or Material Adverse Effect, shall have been true in all material respects, in each case when made and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which need be true, or true in all material respects, as the case may be, only as of the specified date).

(b) Performance. The Company shall have performed or complied in all material respects with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the time of the Closing.

(c) Compliance Certificate. The Company shall have delivered to Parent a certificate, dated the date of the Closing, signed by the President or any Vice President of the Company (but without personal liability thereto), certifying as to the fulfillment of the conditions specified in Sections 8.2(a) and 8.2(b).

(d) Tax Opinion. Parent shall have received an opinion of Wachtell, Lipton, Rosen & Katz, dated the Effective Time, to the effect that (i) the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; (ii) each of Parent, Merger Sub and the Company will be a party to the reorganization within the meaning of Section

368(b) of the Code; (iii) no gain or loss will be recognized by the Company, Parent or Merger Sub as a result of the Merger; and (iv) no gain or loss will be recognized by a stockholder of the Company as a result of the Merger with respect to the Shares converted solely into Parent Common Shares. In rendering such opinion, Wachtell, Lipton, Rosen & Katz may receive and rely upon representations contained in certificates of the Company, Parent, Merger Sub, the Cable Stockholders and others, in each case in form and substance reasonably acceptable to Wachtell, Lipton, Rosen & Katz.

(e) Pooling Covenant. The Company and its Subsidiaries shall have complied with the covenant contained in Secion 7.5(b) hereof.

(f) Other Authorizations. All Authorizations (other than those specified in Section 8.1(b) hereof) required in connection with the execution and delivery of this Agreement and the performance of the obligations hereunder shall have been made or obtained, without any limitation, restriction or condition that has or would have a Material Adverse Effect on the Company (or an effect on Parent and its Subsidiaries that, were such effect applied to the Company and its Subsidiaries, would constitute a Material Adverse Effect on the Company), except for such Authorizations the failure of which to have been made or obtained does not and would not, individually or in the aggregate, have a Material Adverse Effect on the Company (or an effect on Parent and its Subsidiaries that, were such effect applied to the Company and its Subsidiaries, would constitute a Material Adverse Effect on the Company).

(g) Employment Agreements. Each of the employment agreements between the Company and each employee of the Company identified in Exhibit B hereto (which employment agreements are being executed concurrently with the execution of this Agreement) shall be in full force and effect, and each such employee shall be employed thereunder, unless the failure of such employee to be employed thereunder results from the death or disability of such employee.

(h) Consents Under Facilities Agreements. All required authorizations, consents or approvals of any third parties (other than a Governmental Body) with respect to any contracts, leases, agreements or understandings between the Company and/or any of its Subsidiaries, on the one hand, and any other Person, on the other, relating to the use of or access to the facilities of such Person for the purpose of providing telecommunications services, the failure to obtain which

has or would have, individually or in the aggregate, a Material Adverse Effect on the Company, shall have been obtained.

(i) Voting Agreement. There shall not have been a material breach of the Voting Agreement by any of the Cable Stockholders.

(j) Other Transactions. The transactions contemplated by the ACC Agreement shall have been consummated in accordance with the terms of such agreement or such agreement shall have been terminated and, prior thereto, the transactions contemplated by the US Wats Agreement shall have been consummated in accordance with the terms of such agreement or such agreement shall have been terminated.

8.3. Conditions to Obligations of the Company. The obligations of the Company to consummate the transactions contemplated by this Agreement are subject to the fulfillment at or prior to the Effective Time of each of the following conditions, any or all of which may be waived in whole or in part by the Company to the extent permitted by applicable Law:

(a) Representations and Warranties True. The representations and warranties of Parent and Merger Sub contained herein or otherwise required to be made after the date hereof in a writing expressly referred to herein by or on behalf of Parent and Merger Sub pursuant to this Agreement, to the extent qualified by materiality or Material Adverse Effect, shall have been true and, to the extent not qualified by materiality or Material Adverse Effect, shall have been true in all material respects, in each case when made and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which need be true, or true in all material respects, as the case may be, only as of the specified date).

(b) Performance. Parent shall have performed or complied in all material respects with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the time of the Closing.

(c) Compliance Certificate. Parent shall have delivered to the Company a certificate, dated the date of the Closing, signed by the President or any Vice President of Parent (but without personal liability thereto), certifying as to the fulfillment of the conditions specified in Sections 8.3(a) and 8.2(b).

(d) Tax Opinion. The Company shall have received an opinion of Dow, Lohnes & Albertson, PLLC, dated the Effective Time, to the effect that (i) the Merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; (ii) each of Parent, Merger Sub and the Company will be a party to the reorganization within the meaning of Section 368(b) of the Code; (iii) no gain or loss will be recognized by the Company as a result of the Merger; and (iv) no gain or loss will be recognized by a stockholder of the Company as a result of the Merger with respect to the Shares converted solely into Parent Common Shares. In rendering such opinion, Dow, Lohnes & Albertson, PLLC may receive and rely upon representations contained in certificates of Parent and Merger Sub, the Company, the Cable Stockholders and others, in each case in form and substance reasonably acceptable to Dow, Lohnes & Albertson, PLLC.

ARTICLE IX

TERMINATION

9.1. Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, before or after the approval by holders of Shares, either by the mutual written consent of Parent and the Company, or by mutual action of their respective Boards of Directors.

9.2. Termination by Either Parent or the Company. This Agreement may be terminated (upon notice from the terminating party to the other parties) and the Merger may be abandoned by action of the Board of Directors of either Parent or the Company if (a) the Merger shall not have been consummated by December 31, 1998, provided that the right to terminate this Agreement under this clause (a) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Merger to occur on or before such date, and provided, further, that such date shall be extended to March 31, 1999 in the event that the failure of the Merger to occur on or before December 31, 1998 is the result of (i) a delay attributable to any transaction permitted pursuant to Section 7.5(c) or (ii) the failure of any of the conditions set forth in Section 8.1(b), 8.1(c), 8.2(f) or 8.2(j) to be satisfied or waived prior to December 31, 1998, or (b) any court of competent jurisdiction in the United States or Governmental Body in the United States shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable. In addition,

this Agreement may be terminated by Parent (upon notice from Parent to the Company) and the Merger may be abandoned by action of the Board of Directors of Parent if any of the Cable Stockholders shall have breached any of its representations, covenants or obligations under the Voting Agreement in any material respect and such breach shall not be curable.

9.3. Termination by the Company. This Agreement may be terminated (upon notice to Parent) by the Company and the Merger may be abandoned by action of the Board of Directors of the Company if Parent or Merger Sub breaches or fails in any material respect to perform or comply with its covenants and agreements contained herein or breaches its representations and warranties, in each case that is not curable, such that the conditions set forth in Sections 8.3(a) and (b) cannot be satisfied.

9.4. Termination by Parent and Merger Sub. This Agreement may be terminated (upon notice to the Company) by Parent and Merger Sub, and the Merger may be abandoned by action of the Board of Directors of Parent if the Company breaches or fails in any material respect to perform or comply with its covenants and agreements contained herein or breaches its representations and warranties, in each case that is not curable, such that the conditions set forth in Section 8.2(a) and (b) cannot be satisfied.

9.5. Effect of Termination and Abandonment. In the event of termination of this Agreement and abandonment of the Merger pursuant to this Article IX, no party hereto (or any of its directors or officers) shall have any liability or further obligation to any other party to this Agreement, except as provided in Section 7.6 and except that nothing herein will relieve any party from liability for any breach of this Agreement.

ARTICLE X

MISCELLANEOUS AND GENERAL

10.1. Expenses. Except as set forth in Section 7.11, each party shall bear its own expenses, including the fees and expenses of any attorneys, accountants, investment bankers, brokers, finders or other intermediaries or other Persons engaged by it, incurred in connection with this Agreement and the transactions contemplated hereby; provided, however, that the costs and expenses of filing the Information Statement/Prospectus with the SEC and any other applicable Governmental Body or securities regulatory authority, and of printing the Information Statement/Prospectus, shall be paid by Parent.

10.2. Notices, Etc. All notices, requests, demands or other communications required by or otherwise with respect to this Agreement shall be in writing and shall be deemed to have been duly given to any party when delivered personally (by courier service or otherwise), when delivered by telecopy and confirmed by return telecopy, or upon receipt after being mailed by first-class mail, postage prepaid and return receipt requested in each case to the applicable addresses set forth below:

If to the Company:

Teleport Communications Group Inc.
429 Ridge Road
Dayton, New Jersey 08810
Attn: Chairman, President and CEO
Facsimile: (732) 392-3600

with a copy to:

Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W.
Washington, D.C.
Attn: Leonard J. Baxt, Esq.
Timothy J. Kelley, Esq.
Facsimile: (202) 776-2222

and a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
Attn: Philip T. Ruegger, Esq.
Michael Wolfson, Esq.
Facsimile: (212) 455-2502

If to Parent or Merger Sub:

AT&T Corp.
295 North Maple Avenue
Basking Ridge, New Jersey 07920
Attn: Vice President-Law
and Corporate Secretary
Facsimile: (908) 221-6618

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Richard D. Katcher, Esq.
Steven A. Rosenblum, Esq.
Facsimile: (212) 403-2000

or to such other address as such party shall have designated by notice so given to each other party.

10.3. Amendments, Waivers, Etc. This Agreement may be amended, changed, supplemented, waived or otherwise modified only by an instrument in writing signed by the party (or, in the case of Section 7.7, the Indemnified Party) against whom enforcement is sought; provided that, after the adoption of this Agreement by the stockholders of the Company, no such amendment, change, supplement or waiver shall be made without the further requisite approval of such stockholders if such amendment, change, supplement or waiver by law requires the further approval by such stockholders.

10.4. No Assignment. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties and their respective successors and assigns; provided that, except as otherwise expressly set forth in this Agreement, neither the rights nor the obligations of any party may be assigned or delegated without the prior written consent of the other party.

10.5. Entire Agreement. Except as otherwise provided herein, this Agreement (together with the Confidentiality Agreement between Parent and the Company and the other agreements expressly contemplated hereby) embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. There are no representations, warranties or covenants by the parties hereto relating to such subject matter other than those expressly set forth in this Agreement (including the Company Disclosure Statement and the Parent Disclosure Statement) and any writings expressly required hereby.

10.6. Specific Performance. The parties acknowledge that money damages are not an adequate remedy for violations of this Agreement and that any party may, in its sole discretion, apply to a court of competent jurisdiction for specific performance or injunctive or such other relief as such court may deem just and proper in order to enforce this Agreement or prevent any violation hereof and, to the extent permitted by applicable Law, each party waives any objection to the imposition of such relief.

10.7. Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

10.8. No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

10.9. No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of and shall not be enforceable by any Person or entity who or which is not a party hereto, except for the indemnification provisions contained in Section 7.7, which provisions may be enforced by any Indemnified Party referred to therein and except that the provisions of Section 7.3(b) may be enforced by holders of Shares. Notwithstanding anything to the contrary contained in this Agreement, the provisions of Section 7.7 of this Agreement may not be amended or altered in any manner with respect to any Indemnified Party without the written consent of such Indemnified Party. No assignment of this Agreement shall relieve Parent from its obligations to any Indemnified Party contained in Section 7.7 of this Agreement.

10.10. Jurisdiction. Each party hereby irrevocably submits to the exclusive jurisdiction of the United States District Court for the District of Delaware or the Chancery Court of the State of Delaware in any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this Section 10.10 and shall not be deemed to be a general submission to the jurisdiction of said courts or in the State of Delaware other than for such purpose. Parent, Merger Sub and the Company hereby waive any right to a trial by jury in connection with any such action, suit or proceeding.

10.11. Public Announcements. Parent and the Company will agree upon the timing and content of the initial press release to be issued describing the transactions contemplated by this Agreement, and will not make any public announcement thereof prior to reaching such agreement unless required to do so by applicable Law or regulation. To the extent reasonably requested by either party, each party will thereafter consult with and provide reasonable cooperation to the other in connection with the issuance of further press releases or other public documents describing the transactions contemplated by this Agreement.

10.12. Governing Law. This Agreement and all disputes hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to principles of conflict of laws.

10.13. Name, Captions, Etc. The name assigned this Agreement and the section captions used herein are for convenience of reference only and shall not affect the interpretation or construction hereof. Unless otherwise specified, (a) the terms "hereof", "herein" and similar terms refer to this Agreement as a whole and (b) references herein to Articles or Sections refer to articles or sections of this Agreement. Wherever appearing herein, the word "including" shall be deemed to be followed by the words "without limitation."

10.14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all, the parties hereto.

10.15. Survival of Representations, Warranties, Covenants and Agreements. The respective representations and warranties of the parties contained herein or in any certificates or other documents delivered prior to or at the Closing shall survive the execution and delivery of this Agreement, notwithstanding any investigation made or information obtained by the other parties, but shall terminate at the Effective Time. The respective covenants and agreements of the parties contained herein or in any certificates or other documents delivered prior to or at the Closing shall survive the execution and delivery of this Agreement and shall only terminate in accordance with their respective terms.

10.16. Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction.

10.17. Disclosure Statements. The parties acknowledge that the Company Disclosure Statement and the Parent Disclosure Statement to this Agreement (i) relate to certain matters concerning the disclosures required and transactions contemplated by this Agreement, (ii) are qualified in their entirety by reference to specific provisions of this Agreement, (iii) are not intended to constitute and shall not be construed as indicating that such matter is required to be

disclosed, nor shall such disclosure be construed as an admission that such information is material with respect to the Company or Parent, as the case may be, except to the extent required by this Agreement, and (iv) disclosure of the information contained in one section or part of the Company Disclosure Statement or the Parent Disclosure Statement shall be deemed as proper disclosure for all sections or parts of the Company Disclosure Statement or the Parent Disclosure Statement, as the case may be, only if appropriately cross-referenced or if the relevance thereof is clearly apparent from the context in which it appears.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties set forth below.

TELEPORT COMMUNICATIONS GROUP INC.

By: /s/ Robert Annunziata
Name: Robert Annunziata
Title: Chairman, President and CEO

AT&T CORP.

By: /s/ C. Michael Armstrong
Name: C. Michael Armstrong
Title: Chairman and CEO

TA MERGER CORP.

By: /s/ Daniel E. Somers
Name: Daniel E. Somers
Title: President

Exhibit A - Form of Affiliate Letter Addressed to AT&T Corp.

AT&T Corp.
295 North Maple Avenue
Basking Ridge
New Jersey 07920

Ladies and Gentlemen:

I have been advised that I may be deemed to be an "affiliate" of Teleport Communications Group Inc., a Delaware corporation ("TCGI"), as the term "affiliate" is defined for purposes of Rule 145 of the Rules and Regulations of the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), or may otherwise be deemed to be an Affiliate (as defined in the Merger Agreement) of TCGI. I have been further advised that pursuant to the terms of the Agreement and Plan of Merger dated as of January 8, 1998 (the "Merger Agreement"), among TCGI, AT&T Corp., a New York corporation ("AT&T") and TA Merger Corp., a Delaware corporation and a direct wholly owned subsidiary of AT&T ("Merger Sub"), Merger Sub will be merged with and into TCGI (the "Merger"), and that as a result of the Merger, I will receive Parent Common Shares (as defined in the Merger Agreement) of AT&T, in exchange for Shares (as defined in the Merger Agreement) of TCGI, owned by me.

I represent to and covenant with AT&T that I will not (a) sell, pledge, transfer or otherwise dispose of any Parent Common Shares issued to me pursuant to the Merger except pursuant to an effective registration statement or in compliance with Rule 145 under the Securities Act or an exemption from the registration requirements of the Securities Act, or (b) sell, pledge, transfer or otherwise dispose of, or hedge or otherwise reduce my risk with respect to, any Shares or any Parent Common Shares, in each case from the 30th day prior to the Effective Time to the time that results covering at least 30 days of combined operations of TCGI and AT&T have been published by AT&T in the form of a quarterly earnings report, an effective registration statement filed with the SEC, a report to the SEC on Form 10-K, 10-Q or 8-K, or any other public filing or announcement which includes the combined results of operations for such period.

SIGNATURE PAGE

Very truly yours,

DATED:

_____
Print Name:

Accepted this ____ day of
, 1998, by

AT&T CORP.

By:_____
Name:
Title:

Exhibit B

Employees Entering into Employment Agreements

Robert Annunziata

Alf T. Hansen

John A. Scarpati

Exhibit B

Employees Entering into Employment Agreements

Robert Annunziata

Alf T. Hansen

John A. Scarpati