

whole cent, determined by multiplying (i) the Closing Market Price by (ii) the fractional interest in a share of Parent Stock to which such holder would otherwise be entitled.

(f) Each share of Parent Stock outstanding immediately prior to the Merger shall remain issued and outstanding.

(g) Any shares of Company Stock owned by the Parent Companies and Treasury Shares shall be cancelled and retired at the Effective Time and shall cease to exist and no Parent Stock or other consideration shall be delivered in exchange therefor.

(h) On or after the Effective Time, holders of certificates representing Company Shares (the "Certificates") immediately prior to the Effective Time shall cease to have any rights as stockholders of the Company, except the right to receive the Merger Consideration for each Company Share held by them.

3.2 Election Procedure.

(a) Each holder of Company Shares (other than holders of Company Shares to be cancelled as set forth in Section 3.1(f)) shall have the right to submit a request specifying that all of such holder's Company Shares shall be converted into the Parent Stock Consideration, into the Cash Consideration or into a combination of Cash Consideration and Parent Stock Consideration, without interest in the Merger in accordance with the following procedure:

(i) Each holder of Company Stock may specify in a request made in accordance with the provisions of this Section 3.2 (herein called an "Election") to:

(A) Convert each Company Share owned by such holder into the right to receive the Parent Stock Consideration in the Merger (a "Stock Election");

(B) Convert each Company Share owned by such holder into the right to receive the Cash Consideration in the Merger (a "Cash Election"); or

(C) Convert all of the Company Shares owned by such holder into the right to receive the Merger Consideration in the ratio of fifty-five percent (55%) in the form of Cash Consideration and forty-five percent (45%) in the form of Parent Stock Consideration (a "Cash/Stock Election").

(ii)

(A) On a per Company Share basis within the Fixed Price Parent Stock Range, the value of the Merger Consideration on the Closing Date based on a Stock Election (assuming no proration thereof under Section 3.3) would be \$33.00 in Parent Stock Consideration (using the Closing Market Price).

(B) On a per Company Share basis within the Fixed Price Parent Stock Range, the value of the Merger Consideration on the Closing Date based on a Cash Election (assuming no proration thereof under Section 3.3) would be \$33.00 in Cash Consideration.

(C) On a per Company Share basis, within the Fixed Price Parent Stock Range, the value of the Merger Consideration on the Closing Date based on a Cash/Stock Election would be \$18.15 in Cash Consideration and \$14.85 in Parent Stock Consideration (using the Closing Market Price).

(iii) A Form of Election (as defined in 3.2(b) below) shall be included with each copy of the Proxy Statement (as defined in Section 4.10) mailed to shareholders of the Company in connection with the meeting of shareholders called to consider the approval of this Agreement. Parent and the Company shall each use its reasonable best efforts to mail or otherwise make available the Form of Election to all persons who become holders of Company Shares during the period between the record date for such shareholder meeting and the Election Deadline (as defined in Section 3.2(d)).

(b) Parent shall prepare a form (the "Form of Election"), which shall be in form and substance acceptable to the Company, pursuant to which each holder of Company Shares at the close of business on the Election Deadline may make an Election and which shall be mailed to the Company's shareholders in accordance with Section 3.2(a) so as to permit the Company's shareholders to exercise their right to make an Election prior to the Election Deadline.

(c) Holders of record of Company Shares who hold such shares as nominees, trustees, or in other representative capacities may submit multiple Forms of Election, provided that such representative certifies that each Form of Election covers all Shares held by such representative for a particular beneficial owner.

(d) Not later than the filing of the Joint Proxy Statement with the SEC, as contemplated in Section 6.9 hereof, Parent shall appoint a bank acceptable to the Company as the person to receive Forms of Election and to act as exchange agent under this Agreement, which bank shall be acceptable to the Company (the "Exchange Agent"). Any Company shareholder's Election shall have been made properly only if the Exchange Agent shall have received, by 5:00 p.m. local time in the city in which the principal office of such Exchange Agent is located, on the date of the Election Deadline, a Form of Election properly completed and signed and accompanied by certificates for the Company Shares to which such Form of Election relates (or by an appropriate guarantee of delivery of such certificates, as set forth in such Form of Election, from a member of any registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States provided such certificates are in fact delivered to the Exchange Agent by the time required in such guarantee of delivery). Failure to deliver Company Shares covered by such a guarantee of delivery within the time set forth on such guarantee shall be deemed to invalidate any otherwise properly made Election. As used herein, "Election Deadline" means the date announced by Parent (which date shall be agreed upon by the Company), as the last day on which Forms of Election will be accepted; provided, that such date shall be a business day no earlier than ten (10) business days prior to the Effective Time and no later than the date on which the Effective Time occurs. In the event this Agreement shall have been terminated prior to the Effective Time, the Exchange Agent shall immediately return all Election Forms and Certificates for Company Shares to the appropriate Company shareholders.

(e) Any Company shareholder may at any time prior to the Election Deadline change his Election by written notice received by the Exchange Agent prior to the Election Deadline accompanied by a revised Form of Election properly completed and signed.

(f) Any Company shareholder may, at any time prior to the Election Deadline, revoke his Election by written notice received by the Exchange Agent prior to the Election Deadline or by withdrawal prior to the Election Deadline of his certificates for Parent Stock, or of the guarantee of delivery of such certificates, previously deposited with the Exchange Agent. All Elections shall be revoked automatically if the Exchange Agent is notified in writing by Parent or the Company that this Agreement has been terminated. Any Company shareholder who shall have deposited certificates for Company Shares with the Exchange Agent shall have the right to withdraw such certificates by written notice received by the Exchange Agent prior to the Election Deadline and thereby revoke his Election as of the Election Deadline if the Merger shall not have been consummated prior thereto.

(g) Parent shall have the right to make rules, not inconsistent with the terms of this Agreement, governing the validity of the Forms of Election, the manner and extent to which Elections are to be taken into account in making the determinations prescribed by Section 3.3, the issuance and delivery of certificates for Parent Stock into which Company Shares are converted in the Merger and the payment of cash for Company Shares converted into the right to receive the Cash Consideration in the Merger.

3.3 Conversion of Outstanding Shares Into Parent Stock Consideration and Cash Consideration; Proration. The manner in which each Company Share (except Company Shares to be cancelled as set forth in Section 3.1(g)) shall be converted in the Merger into Parent Stock Consideration, Cash Consideration or a combination of Parent Stock Consideration and Cash Consideration shall be as set forth in this Section 3.3.

(a) As is more fully set forth below, the aggregate number of Company Shares to be converted into the right to receive Cash Consideration in the Merger pursuant to this Agreement shall not exceed the product of (i) the number of Outstanding Shares and (ii) the Maximum Cash Percentage. "Maximum Cash Percentage" shall mean fifty-five percent (55%). Each of the terms of this Article 3 (specifically including the proration provisions set forth in Sections 3.3(d) and 3.3(f)) shall be interpreted in a manner to ensure that in no event shall either (A) the aggregate amount of the Cash Consideration received by the holders of Company Shares in the Merger exceed the Cash Consideration Cap, or (B) the aggregate number of shares of Parent Stock received by the holders of Company Shares in the Merger exceed the Parent Stock Consideration Cap.

(b) Subject to the provisions of Sections 3.3(d) – (g) below, in the event the Closing Market Price is less than the Floor Market Price, the Merger Consideration shall be calculated as follows:

(i) On a per Company Share basis, the value of the Cash Consideration on the Closing Date based on the Cash/Stock Election, would be \$18.15 and the value of the Parent Stock Consideration would be equal to the product of (A) the Conversion Ratio, (B) .45 and (C) the fair market value of the Parent Stock on the Closing Date.

(ii) On a per Company Share basis, the value of the Parent Stock Consideration, based on a Stock Election (assuming no proration thereof under this Section 3.3), would be the product of (A) the Conversion Ratio and (B) the fair market value of the Parent Stock on the Closing Date; and

(iii) On a per Company Share basis, the value of the Cash Consideration, based on a Cash Election (assuming no proration thereof under this Section 3.3), would be \$33.00 in Cash Consideration.

(c) If, based solely on the Stock Elections and Cash/Stock Elections (including those deemed to have been made pursuant to Section 3.3(g)), the aggregate number of shares of Parent Stock that would otherwise be issued as Parent Stock Consideration would be equal or less than the Parent Stock Consideration Cap, then each Company Share that the holder has elected to have converted into Parent Stock Consideration pursuant to a Stock Election or a Cash/Stock Election shall be converted into Parent Stock Consideration.

(d) If, based solely on the Stock Elections and Cash/Stock Elections (including those deemed to have been made pursuant to Section 3.3(g)), the aggregate number of shares of Parent Stock that would otherwise be issued as Parent Stock Consideration would exceed the Parent Stock Consideration Cap, then the Company Shares for which conversion into Parent Stock Consideration has been requested pursuant to Stock Elections shall be converted into the right to receive Parent Stock Consideration and Cash Consideration as follows:

(i) the number of Company Shares of each holder to be converted into the right to receive Parent Stock Consideration shall equal the product of (A) the number of Company Shares owned by such holder and (B) a fraction, the numerator of which will be an amount equal to the Parent Stock Consideration Cap *MINUS* the aggregate number of shares of Parent Stock to be issued to holders of Company Shares who have made (including those deemed to have done so pursuant to Section 3.3(g)) Cash/Stock Elections, and the denominator of which will be the Unadjusted Stock Election Number. "Unadjusted Stock Election Number" shall mean the aggregate number of shares of Parent Stock that would be issued in the Merger in respect of Company Shares for which the holders thereof made Stock Elections, without taking into account the application of the proration provisions of this Section 3.3(d).

(ii) Each Company Share covered by a Stock Election and not converted into the right to receive Parent Stock Consideration pursuant to clause (i) above shall be converted in the Merger into Cash Consideration

(e) If Cash Elections and Cash/Stock Elections request the conversion into Cash Consideration of a number of Company Shares less than the number constituting the Maximum Cash Percentage, each Company Share for which conversion into Cash Consideration has been requested shall be converted into the right to receive Cash Consideration.

(f) If Cash Elections and Cash/Stock Elections (including those deemed to have been made pursuant to Section 3.3(g) below) request the conversion into Cash Consideration of a number of Company Shares that exceed the product of the Outstanding Shares multiplied by the Maximum Cash Percentage (such number of shares being referred to herein as

the “Cash Over-Election Number”), the Company Shares for which conversion into Cash Consideration have been requested pursuant to a Cash Election shall be converted into the right to receive Cash Consideration and Parent Stock Consideration in the following manner:

(i) The number of Company Shares of each holder to be converted into the right to receive Cash Consideration shall equal the product of (A) the number of Company Shares owned by such holder and (B) a fraction, the numerator of which will be an amount equal to the Cash Consideration Cap *MINUS* the aggregate amount of Cash Consideration to be paid to holders of Company Shares who have made (including those deemed to have done so pursuant to Section 3.3(g)) Cash/Stock Elections, and the denominator of which will be the Unadjusted Cash Election Amount. “Unadjusted Cash Election Amount” shall mean the aggregate amount of Cash Consideration paid in the Merger in respect of Company Shares for which the holders thereof made Cash Elections, without taking into account the application of the proration provisions of this Section 3.3(f).

(ii) Each Company Share covered by a Cash Election and not converted into the right to receive Cash Consideration pursuant to clause (i) above shall be converted in the Merger into Parent Stock Consideration.

(g) Each Non-Electing Company Share shall be converted in the Merger into Parent Stock Consideration and the Cash Consideration as if the holder thereof had made a Cash/Stock Election. “Non-Electing Company Share” shall mean any Outstanding Share for which an Election is not in effect at the Election Deadline. If Parent shall determine that any Election is not properly made with respect to any Company Shares, such Election shall be deemed to be not in effect, and the Company Shares covered by such Election shall, for purposes hereof, be deemed to be Non-Electing Company Shares. Parent and the Exchange Agent shall have no obligation to notify any person of any defect in any Form of Election submitted to the Exchange Agent.

(h) Subject to Section 3.3(a), the Exchange Agent shall make all computations contemplated by this Section 3.3 and all such computations shall be conclusive and binding on the holders of Company Shares absent manifest error.

3.4 Conversion of Newco Shares. Each share of common stock, par value \$.01, of Newco (“Newco Common Stock”) issued and outstanding immediately prior to the Effective Time shall be converted into one duly issued, validly authorized, fully paid and nonassessable share of common stock, par value \$.01 per share, of the Surviving Corporation.

3.5 Issuance of Parent Stock Consideration.

(a) Immediately prior to the Effective Time, Parent shall deliver to the Exchange Agent, in trust for the benefit of the holders of Company Shares, certificates representing an aggregate number of shares of Parent Stock as nearly as practicable equal to the number of shares to be converted into Parent Stock as determined in Section 3.3.

(b) As soon as practicable on the day of the Closing (but after the Effective Time), each holder of Company Shares converted into Parent Stock Consideration pursuant to Article III, upon surrender to the Exchange Agent with a properly completed Letter of

Transmittal (to the extent not previously surrendered with a Form of Election) of one or more Certificates for such Company Shares for cancellation, shall be entitled to receive (and the Exchange Agent shall deliver) certificates representing the number of shares of Parent Stock into which such Company Shares shall have been converted in the Merger.

(c) No dividends or distributions that have been declared, if any, will be paid to persons entitled to receive certificates for shares of Parent Stock until such persons surrender their Certificates at which time all such dividends and distributions shall be paid. In no event shall the persons entitled to receive such dividends be entitled to receive interest on such dividends. If any certificate for such Parent Stock is to be issued in a name other than that in which the Certificate surrendered in exchange therefor is registered, it shall be a condition of such exchange that the person requesting such exchange shall pay to the Exchange Agent any transfer taxes or other taxes required by reason of issuance in a name other than the registered holder of the certificate surrendered, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of Company Shares for any Parent Stock or dividends thereon delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

3.6 Payment of Cash Consideration. Immediately prior to the Effective Time, Parent shall deposit with the Exchange Agent, in trust for the benefit of the holders of Company Shares, an amount in cash equal to the Cash Consideration to be paid to holders of Company Shares to be converted into the right to receive the Cash Consideration as determined in Section 3.3. As soon as practicable on the day of the Closing (but after the Effective Time), the Exchange Agent shall distribute to holders of Company Shares converted into the right to receive the Cash Consideration and determined in accordance with Section 3.3, upon proper surrender to the Exchange Agent (to the extent not previously surrendered with a Form of Election) of one or more Certificates for such Company Shares for cancellation, a bank check for an amount equal to the Cash Consideration times the number of Company Shares so converted. In no event shall the holder of any such surrendered certificates be entitled to receive interest on any of the Cash Consideration to be received in the Merger. If such check is to be issued in the name of a person other than the person in whose name the Certificates surrendered for exchange therefor are registered, it shall be a condition of the exchange that the person requesting such exchange shall pay to the Exchange Agent any transfer or other taxes required by reason of issuance of such check to a person other than the registered holder of the certificates surrendered, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable. Notwithstanding the foregoing, neither the Exchange Agent nor any party hereto shall be liable to a holder of Company Shares for any amount paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

3.7 Letters of Transmittal. Parent will instruct the Exchange Agent to mail to each holder of record of Certificates who has not previously surrendered such holder's Certificates with a validly executed Form of Election as soon as reasonably practical after the Effective Time, (i) a Letter of Transmittal (which shall specify that delivery shall be effected, and risk of loss and title to such holder's Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as shall be agreed upon by the Company prior to the Effective Time) and (ii) instructions for use in effecting

the surrender of Certificates in exchange for the Merger Consideration (the "Letter of Transmittal").

3.8 Missing Certificates.

(a) If any holder of Company Shares convertible into the right to receive the Merger Consideration is unable to deliver the certificate which represents such shares, the Exchange Agent shall deliver to such holder the Merger Consideration to which the holder is entitled for such shares upon presentation of the following:

(i) evidence to the reasonable satisfaction of Parent that any such certificate has been lost, wrongfully taken or destroyed;

(ii) such security or indemnity as may be reasonably requested by the Parent to indemnify and hold harmless Parent and the Exchange Agent; and

(iii) evidence satisfactory to Parent that such person is the owner of the shares theretofore represented by each certificate claimed to be lost, wrongfully taken or destroyed and that the holder is the person who would be entitled to present such certificate for payment pursuant to this Agreement.

(b) Parent shall receive any remaining Cash Consideration and Parent Stock Consideration on deposit with the Exchange Agent on the date which is one year after the Effective Date and any shareholder of the Company who has not surrendered his certificate(s) to the Exchange Agent prior to such time shall be entitled to receive the Merger Consideration without interest upon the surrender of such certificate(s) to Parent, subject to applicable escheat or abandoned property laws.

3.9 No Further Rights or Transfers: Cancellation of Treasury Shares. Except for the surrender of the certificate(s) representing the Company Shares in exchange for the right to receive the Merger Consideration with respect to each Share at and after the Effective Time, each holder of Company Shares shall cease to have any rights as a shareholder of the Company, and no transfer of Company Shares shall thereafter be made on the stock transfer books of the Surviving Corporation. Each Share held in the Company's treasury immediately prior to the Effective Time shall, by virtue of the Merger, be canceled and retired and cease to exist without any conversion thereof.

3.10 Stock Options. At the Effective Time, each option or other right to purchase shares of Company Common Stock pursuant to stock options (a "Company Option"), whether granted by the Company under the 1999 Stock Option Plan (the "Company Option Plan") or any other plan or agreement, which is outstanding at the Effective Time, whether or not exercisable, shall be assumed by Parent and become rights with respect to Parent Stock ("Parent Options"), the Company Option Plan or any such other plan or agreement which is outstanding at the Effective Time shall be assumed by Parent, and Parent shall assume each Option, in accordance with the terms of the Option Plan and stock option agreement by which it is evidenced, except that from and after the Effective Time, (i) Parent and its Compensation Committee shall be substituted for the Company and the Committee of the Company's Board of Directors (including, if applicable, the entire Board of Directors of the Company) administering

such Option Plan, (ii) each Option assumed by Parent may be exercised solely for shares of Parent Stock, (iii) the number of shares of Parent Stock subject to such Option shall be equal to the number of Company Shares subject to such Option immediately prior to the Effective Time multiplied by the Conversion Ratio, (iv) the per share exercise price under each such Option shall be adjusted by dividing the per share exercise price under each such Option by the Conversion Ratio and rounding up any fraction of a cent to the nearest cent and (v) all Parent Options resulting from the assumption of the Company Option Plan pursuant to this Section 3.10 shall be fully exercisable to the extent set forth in the applicable Company Option or Company Option Plan or as stipulated by the Company's Board of Directors pursuant to the applicable Company Option Plan. Notwithstanding the provisions of clause (iii) of the preceding sentence, Parent shall not be obligated to assume option obligations with respect to any fraction of a share of Parent Stock upon exercise of a Parent Option and any fraction of a share of Parent Stock that otherwise would be subject to a Parent Option shall represent the right to receive a cash payment upon exercise of such Parent Option equal to the product of such fraction and the difference between the market value of one share of Parent Stock at the time of exercise and the per share exercise price of such Option. Each of the Company and Parent agrees to take all necessary steps to effectuate the foregoing provisions of this Section 3.10, including using its reasonable efforts to obtain from each holder of an Option any consent or contract that may be deemed necessary or advisable in order to effect the transactions contemplated by this Section 3.10.

3.11 Certain Company Actions. Prior to the Effective Time, the Company shall take all such steps as may be required to cause any dispositions of Company Shares (including derivative securities with respect to Company Shares) resulting from the transactions contemplated by Article III of this Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the Company to be exempt under Rule 16b-3 promulgated under the Exchange Act, such steps to be taken in accordance with the No-Action Letter dated January 12, 1999 issued by the SEC to Skadden, Arps, Slate, Meagher & Flom LLP.

3.12 Withholding. The Exchange Agent or Parent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Company Shares such amounts as the Exchange Agent, Parent or the Surviving Corporation, as the case may be, is required to deduct and withhold with respect to such payment under the Code or any provisions of state, local or foreign tax law. Any amounts so withheld shall be treated for all purposes of this Agreement as having been paid to the holder of the Company Shares in respect of which such deduction and withholding was made.

ARTICLE IV -- REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Newco as of the date of this Agreement and as of the Effective Time that:

4.1 Corporate Organization and Qualification. Each of the Company and its Significant Subsidiaries (as defined in Section 9.10 below) is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation and is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated or the business conducted by it require such qualification,

except where failure to so qualify or be in good standing would not have a Company Material Adverse Effect (as defined in Section 9.10 below) or materially adversely affect the consummation of the transactions contemplated hereby. Each of the Company and its subsidiaries has all requisite power and authority (corporate or otherwise) to own its properties and to carry on its business as it is now being conducted except where failure to have such power and authority would not have a Company Material Adverse Effect. The Company has heretofore made available to Parent complete and correct copies of its Amended and Restated Articles of Incorporation and Bylaws, each as amended.

4.2 Capitalization. The authorized capital stock of the Company consists of 200,000,000 Company Shares of common stock, par value \$1.00 per share (the "Company Common Stock"), of which, as of the date of this Agreement, 8,077,413 shares were issued and outstanding, and 900,000 Company Shares of Convertible/Redeemable Preferred Stock, par value \$65.00 per share (the "Company Preferred Stock"), of which, as of the date of this Agreement, 74,243 shares were issued and outstanding. All of the outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable, except as otherwise provided in Section 1524(c) of the PBCL. As of the date of this Agreement, 143,250 shares of the Company Common Stock were reserved for issuance upon exercise of outstanding awards pursuant to the Option Plan and 8,077,413 shares of the Company Common Stock were reserved for issuance pursuant to the Rights Agreement. Except as set forth on Schedule 4.2, all outstanding shares of capital stock of the Company's subsidiaries are owned by the Company or a direct or indirect wholly owned subsidiary of the Company, free and clear of all liens, charges, encumbrances, claims and options of any nature. Except as set forth above and on Schedule 4.2 and except for the Company Rights, there are not, as of the date hereof, any outstanding or authorized options, warrants, calls, rights (including preemptive rights), commitments or any other agreements of any character to which the Company or any of its subsidiaries is a party, or by which they may be bound, requiring it to issue, transfer, sell, purchase, redeem or acquire any shares of capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of capital stock of the Company or any of its subsidiaries. Except for the Voting Agreements, there are not as of the date hereof and there will not be at the Effective Time of the Merger any registration rights agreements, shareholder agreements, voting trusts or other agreements or understandings to which the Company is a party or by which it is bound relating to the voting of any Company Shares. There are no restrictions on the Company with respect to voting the stock of any of its subsidiaries.

4.3 Authority Relative to This Agreement.

(a) The Company has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby (other than, with respect to the Merger, the approval and adoption of the Merger and this Agreement by holders of the Company Shares in accordance with the PBCL). This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes the valid and binding agreement of Parent

and Newco, constitutes the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except that such enforceability may be limited by (1) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) The Board of Directors has duly and validly approved and taken all corporate action required to be taken by the Board of Directors for the consummation of the transactions contemplated herein, including but not limited to all actions required to prevent the Company Rights from distributing or becoming exercisable pursuant to the Rights Agreement as a result of such transactions.

4.4 Consents and Approvals; No Violation.

(a) Neither the execution and delivery of this Agreement nor the consummation by the Company of the transactions contemplated hereby will:

(i) conflict with or result in any breach of any provision of the respective Amended and Restated Articles of Incorporation or Bylaws, each as amended, of the Company or any of its subsidiaries;

(ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, except (A) in connection with the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (B) pursuant to the applicable requirements of the Exchange Act, (C) the filing of the articles of merger pursuant to the PBCL and appropriate documents with the relevant authorities of other states in which the Company or any of its subsidiaries is authorized to do business, (D) such filings and consents as may be required by the Federal Communications Commission (the "FCC") or the rules and regulations promulgated by the FCC (the "FCC Rules") and the Pennsylvania Public Utilities Commission (the "PPUC") or the rules and regulations promulgated by the PPUC (the "PPUC Rules"), (E) as may be required by any applicable state securities or "blue sky" laws or state takeover laws, (F) such filings and consents as may be required under any environmental, health or safety law or regulation pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, or (G) where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, would not individually or in the aggregate have a Company Material Adverse Effect or materially adversely affect the consummation of the transactions contemplated hereby, or (H) such filings, consents, approvals, orders, registrations and declarations as may be required as a result of the status or identity of Parent and/or Newco;

(iii) except as set forth in Schedule 4.4(a)(iii), result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or lien or other charge or encumbrance) under any of the terms, conditions or provisions of any note, license, agreement or other instrument or obligation to which the Company or any of its subsidiaries or any of their assets may be bound, except for such violations, breaches and defaults (or rights of termination,

cancellation or acceleration or lien or other charge or encumbrance) as to which requisite waivers or consents have been obtained, or which individually or in the aggregate would not have a Company Material Adverse Effect ; or

(iv) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in this Section 4.4 are duly and timely obtained or made and, with respect to the Merger, the approval of the Merger and this Agreement by the Company's shareholders has been obtained, violate any material order, writ, injunction, decree, statute, rule or regulation applicable to the Company or any of its subsidiaries or to any of their respective assets.

(b) The affirmative vote of a majority of the votes cast by holders of the outstanding Company Shares in favor of the approval and adoption of this Agreement at a meeting at which a quorum is present (the "Company Shareholder Approval") is the only vote of the holders of any class or series of the Company's or its subsidiaries' securities necessary to approve this Agreement, the Merger and the other transactions contemplated hereby.

4.5 SEC Reports: Financial Statements.

(a) The Company has filed all forms, reports and documents required to be filed by it with the SEC since January 1, 1996, pursuant to the federal securities laws and the SEC's rules and regulations thereunder, all of which, as of their respective dates, complied in all material respects with all applicable requirements of the Exchange Act (collectively, the "Company SEC Reports"). None of the Company SEC Reports, including, without limitation, any financial statements or schedules included therein, as of their respective dates, contained any untrue statement of a material fact or omitted to state a 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.

(b) The consolidated balance sheets and the related consolidated statements of income and cash flows (including the related notes thereto) of the Company included in the Company SEC Reports, as of their respective dates, complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, were prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior periods (except as otherwise noted therein), and present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of their respective dates, and the consolidated results of their operations and their cash flows for the periods presented therein (subject, in the case of the unaudited interim financial statements, to normal year-end adjustments).

4.6 Absence of Certain Changes or Events. Except as disclosed in the Company SEC Reports, as set forth in Schedule 4.6 to this Agreement or as contemplated by this Agreement, since December 31, 2000, there has not been (i) any Company Material Adverse Effect with respect to the Company and its subsidiaries; (ii) any declaration, setting aside or payment of any dividend (whether in cash, stock or property) with respect to any Company Shares; (iii) (A) any granting by the Company or any of its subsidiaries to any officer of the Company or any of its subsidiaries of any increase in compensation, except in the ordinary course of business consistent

with prior practice or as was required under employment agreements described in Schedule 6.8(c), (B) any granting by the Company or any of its subsidiaries to any such officer of any increase in severance or termination pay, except as was required under employment, severance or termination agreements listed in Schedule 6.8(c), true copies of which have been provided to Parent, or (C) any entry by the Company or any of its subsidiaries into any employment, severance or termination agreement with any such officer; (iv) any amendment of any material term of any outstanding equity security of the Company or any subsidiary; (v) any repurchase, redemption or other acquisition by the Company or any subsidiary of any outstanding shares of capital stock or other equity securities of, or other ownership interests in, the Company or any subsidiary, except as contemplated by Company Benefit Plans (as defined in Section 4.10 herein); (vi) any material damage, destruction or other property loss, whether or not covered by insurance; or (vii) any change in accounting methods, principles or practices by the Company materially affecting its assets, liabilities or business, except insofar as may have been required by a change in GAAP.

4.7 Litigation. Schedule 4.7 accurately discloses in all material respects as of the date of this Agreement all actions, claims, suits, proceedings and governmental investigations pending or, to the knowledge of the Company, threatened, which (i) are required to be disclosed therein by the Exchange Act or (ii) individually or in the aggregate are reasonably likely to have a Company Material Adverse Effect.

4.8 Insurance. The Company maintains insurance coverage reasonably adequate for the operation of the business of the Company and each of its subsidiaries, and the transactions contemplated hereby will not materially adversely affect such coverage.

4.9 Taxes.

(a) Except as set forth on Schedule 4.9:

(i) the Company and its subsidiaries are members of the affiliated group, within the meaning of Section 1504(a) of the Code, of which the Company is the common parent; such affiliated group files a consolidated federal income Tax Return; and neither the Company, any of its subsidiaries, any of its former subsidiaries, nor any entity to whose liabilities the Company or any of its subsidiaries or any of its former subsidiaries has succeeded, has ever filed a consolidated federal income Tax Return with (or been included in a consolidated return of) a different affiliated group;

(ii) each of the Company, its subsidiaries and its former subsidiaries has filed or caused to be filed all Tax Returns required to have been filed by or for it, and all information set forth in such Tax Returns is correct and complete in all material respects;

(iii) each of the Company, its subsidiaries and its former subsidiaries has paid all Taxes due and payable by it;

(iv) there are no unpaid Taxes due and payable by the Company, its subsidiaries or its former subsidiaries or by any other person that are or could become a lien on any asset of the Company, or otherwise materially adversely affect the business, properties or financial condition, of the Company, any of its subsidiaries or any of its former subsidiaries;

(v) each of the Company, its subsidiaries and its former subsidiaries is in material compliance with, and the records of each of them contain all information and documents (including, without limitation, properly completed IRS Forms W-9) necessary to comply with, all applicable Tax information reporting and Tax withholding requirements;

(vi) each of the Company, its subsidiaries and its former subsidiaries has collected or withheld all amounts required to be collected or withheld by it for any Taxes, and all such amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due;

(vii) the balance sheets and financial statements included in the Company SEC Reports fully and properly reflect, as of their dates, the liabilities of the Company and its subsidiaries and (insofar as the Company or any of its subsidiaries may be liable therefor) the former subsidiaries for all Taxes for all periods ending on or before such dates, and the books and records of the Company and its subsidiaries fully and properly reflect all liabilities for Taxes for all periods after December 31, 2000;

(viii) none of the Company or its subsidiaries has granted (nor is any of them subject to) any waiver currently in effect of the period of limitations for the assessment of Tax, no unpaid Tax deficiency has been asserted against or with respect to any of the Company or its subsidiaries or (insofar as the Company or any of its subsidiaries may be liable therefor) the former subsidiaries by any taxing authority, and there is no pending examination, administrative or judicial proceeding, or deficiency or refund litigation, with respect to any Taxes of the Company or any of its subsidiaries or (insofar as the Company or any of its subsidiaries may be liable therefor) any of the former subsidiaries;

(ix) none of the Company or its subsidiaries has made or entered into, or holds any asset subject to, a consent filed pursuant to Section 341(f) of the Code and the regulations thereunder or a "safe harbor lease" subject to former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended before the Tax Reform Act of 1984, and the regulations thereunder;

(x) none of the Company or its subsidiaries is required to include in income any amount from an adjustment pursuant to Section 481 of the Code or the regulations thereunder or any similar provision of state law;

(xi) none of the Company or its subsidiaries is a party to, or obligated under, any agreement or other arrangement providing for the payment of any amount that would be an "excess parachute payment" under Section 280G of the Code;

(xii) there are no excess loss accounts or deferred intercompany gains with respect to any member of the affiliated group of which the Company is the common parent or any subgroup thereof;

(xiii) neither the Company, any of its subsidiaries nor any of its former subsidiaries has distributed to its stockholders or security holders stock or securities of a controlled corporation in a transaction to which Section 355(a) of the Code applies; and

(xiv) none of the Company or its subsidiaries is, or has been at any time within the last five years, a “United States real property holding corporation” for purposes of Section 897 of the Code.

(b) Schedule 4.9 sets forth all Tax elections, consents and agreements made by or affecting any of the Company and its subsidiaries that will be in effect after the Closing Date, all material types of Taxes paid and Tax Returns filed by or on behalf of the Company and its subsidiaries, and all examinations, administrative or judicial proceedings, and litigation with respect to any Taxes of the Company, any of its subsidiaries or any of its former subsidiaries.

(c) As used herein, “Tax” or “Taxes” shall mean all taxes of any kind, including, without limitation, those on or measured by or referred to as income, gross receipts, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, estimated, excise, severance, stamp, occupation, premium, value added, property or windfall profits taxes, customs, duties or similar fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any governmental entity, domestic or foreign. As used herein, “Tax Return” shall mean any return, report, statement or information required to be filed with any governmental entity with respect to Taxes.

4.10 Employee Benefit Plans; Labor Matters.

(a) Schedule 4.10 contains a true and complete list of (A) all employee welfare benefit and employee pension benefit plans as defined in sections 3(1) and 3(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including, but not limited to, plans that provide retirement income or result in a deferral of income by employees for periods extending to termination of employment or beyond, and plans that provide medical, surgical, or hospital care benefits or benefits in the event of sickness, accident, disability, death or unemployment and (B) all other material employee benefit agreements or arrangements, including without limitation deferred compensation plans, incentive plans, bonus plans or arrangements, stock option plans, stock purchase plans, stock award plans, golden parachute agreements, severance pay plans, dependent care plans, cafeteria plans, employee assistance programs, scholarship programs, employee discount programs, employment contracts, retention incentive agreements, noncompetition agreements, consulting agreements, confidentiality agreements, vacation policies, and other similar plans, agreements and arrangements that are currently in effect as of the date of this Agreement, or have been approved before this date but are not yet effective, for the benefit of any director, officer, employee or former employee (or any of their beneficiaries) of the Company or any of its subsidiaries (collectively, a “Company Beneficiary”), or with respect to which the Company or any of its subsidiaries may have any liability (“Company Benefit Plans”).

(b) With respect to each Company Benefit Plan, the Company has heretofore delivered to Parent, as applicable, complete and correct copies of each of the following documents which the Company has prepared or has been required to prepare:

(i) the Company Benefit Plans and any amendments thereto (or if a Company Benefit Plan is not a written agreement, a description thereof);

- (ii) the three most recent annual Form 5500 reports filed with the Internal Revenue Service (the “IRS”);
- (iii) the most recent statement filed with the Department of Labor (the “DOL”) pursuant to 29 U.S.C. (S) 2520.104-23;
- (iv) the three most recent annual Form 990 and 1041 reports filed with the IRS;
- (v) the three most recent actuarial reports;
- (vi) the three most recent reports prepared in accordance with Statement of Financial Accounting Standards No. 106;
- (vii) the most recent summary plan description and summaries of material modifications thereto;
- (viii) the trust agreement, group annuity contract or other funding agreement that provides for the funding of the Company Benefit Plan;
- (ix) the most recent financial statement;
- (x) the most recent determination letter received from the IRS; and
- (xi) any agreement pursuant to which the Company or any subsidiaries is obligated to indemnify any person.

(c) All contributions and other payments required to have been made by the Company or any entity (whether or not incorporated) that is treated as a single employer with the Company under Section 414 of the Code (a “Company ERISA Affiliate”) with respect to any Company Benefit Plan (or to any person pursuant to the terms thereof) have been or will be timely made and all such amounts properly accrued through the date of the Company SEC Reports have been reflected therein.

(d) The terms of all Company Benefit Plans that are intended to be “qualified” within the meaning of Section 401(a) of the Code have been determined by the IRS to be so qualified or the applicable remedial periods will not have ended prior to the Effective Time of the Merger. Except as disclosed in Schedule 4.10, no event or condition exists or has occurred that could cause the IRS to disqualify any Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code. Except as disclosed in Schedule 4.10, with respect to each Company Benefit Plan, the Company and each Company ERISA Affiliate are in compliance in all material respects with, and each Company Benefit Plan and related source of benefit payment is and has been operated in compliance with, its terms, all applicable laws, rules and regulations governing such plan or source, including, without limitation, ERISA, the Code and applicable local law. To the knowledge of the Company, except as set forth in Schedule 4.10, no Company Benefit Plan is subject to any ongoing audit, investigation, or other administrative proceeding of the IRS, the DOL, or any other federal, state, or local governmental entity or is scheduled to be subject to such an audit investigation or proceeding.

(e) With respect to each Company Benefit Plan, to the knowledge of the Company, there exists no condition or set of circumstances that could subject the Company or any Company ERISA Affiliate to any liability arising under the Code, ERISA or any other applicable law (including, without limitation, any liability to or under any such plan or under any indemnity agreement to which the Company or any Company ERISA Affiliate is a party), which liability, excluding liability for benefit claims and funding obligations, each payable in the ordinary course, could reasonably be expected to have a Material Adverse Effect on the Company. No claim, action or litigation has been made, commenced or, to the knowledge of the Company, threatened, by or against and Company Benefit Plan or the Company or any of its subsidiaries with respect to any Company Benefit Plan (other than for benefits in the ordinary course) that could reasonably be expected to have a Material Adverse Effect on the Company.

(f) Except as disclosed in Schedule 4.10, no Company Benefit Plan that is a “welfare benefit plan” (within the meaning of Section 3(1) of ERISA) provides benefits for any retired or former employees (other than as required under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or other applicable state or local law that specifically mandates continued health coverage).

(g) Except as disclosed in Schedule 4.10, the consummation or announcement of any transaction contemplated by this Agreement will not (either alone or in conjunction with another event, including termination of employment) result in (A) any payment (whether of severance pay or otherwise) becoming due from the Company or any of its subsidiaries to any Company Beneficiary or to the trustee under any “rabbi trust” or similar arrangement, or (B) any benefit under any Company Benefit Plan being established or increased, or becoming accelerated, vested or payable.

(h) Except as described on Schedule 4.10, neither the Company nor any entity that was at any time during the six-year period ending on the date of this Agreement a Company ERISA Affiliate has ever maintained, had an obligation to contribute to, contributed to, or had any liability with respect to any plan that (A) is or was a pension plan (as defined in Section 3(2) of ERISA) that is or was subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA or (B) that is or was a multiemployer plan (as defined in Section 414(f) of the Code or Sections 3(37) or 4001(a)(31) of ERISA). With respect to each Company Benefit Plan subject to Section 412 of the Code or Section 302 of ERISA, (i) each such Company Benefit Plan uses a funding method permissible under the Code and ERISA and the actuarial assumptions used in connection therewith are reasonable individually and in the aggregate, (ii) no such Company Benefit Plan has incurred an accumulated funding deficiency, whether or not waived, and (iii) except as otherwise disclosed on Schedule 4.10, as of the Effective Time, the fair market value of the assets of each such Company Benefit Plan will exceed or equal the “projected benefit obligation” (as defined in Statement of Financial Accounting Standard No. 87) and the “amount of unfunded benefit liabilities” as defined in Section 4001(a)(18) of ERISA is zero. With respect to each Company Benefit Plan that is or was subject to Title IV of ERISA, no such Company Benefit Plan has been terminated, no filing of a notice of intent to terminate such Company Benefit Plan has been made, and the PBGC has not initiated any proceeding to terminate any such Company Benefit Plan. To the knowledge of the Company, no event has occurred and there exists no condition or set of circumstances which presents a material risk that any Company Benefit Plan has or is likely to experience a partial termination. No assets of the Company or any

of its subsidiaries are subject to any lien under Section 302 of ERISA or Section 412 of the Code.

(i) Except as otherwise provided in an applicable collective bargaining agreement, each Company Benefit Plan may be terminated or modified by the Company or Parent without material liability to the Company, Parent or any ERISA Affiliate of either.

4.11 Environmental Laws and Regulations. When used in this Section 4.11 and Section 5.11:

(a) “**Environmental Laws**” shall mean any and all federal, state or local laws, rules, orders, regulations, statutes, common law, ordinances, codes, decrees or requirements of any Governmental Authority regulating, relating to or imposing liability or standards of conduct concerning any Regulated Materials, environmental protection, or human health protection involving Regulated Materials as in effect as of the Effective Time of the Merger or at any time in the past;

(b) “**Governmental Authority**” shall mean any federal, state, or local governmental body, department, agency or subdivision responsible for the due administration and/or enforcement of any Environmental Law.

(c) “**Permits**” shall mean all governmental approvals, authorizations, registrations, permits and licenses, including those related to environmental quality and the emission, discharge, storage, handling, treatment, use, generation or transportation of Regulated Materials required by Environmental Laws or otherwise required for the Company to conduct its business.

(d) “**Regulated Materials**” shall mean any pollutant, contaminant, hazardous material, hazardous waste, infectious medical waste, hazardous or toxic substance defined or regulated as such in or under any Environmental Law, including, without limitation, petroleum, crude oil or fractions thereof, petroleum products, waste or used oil, natural or synthetic gas, materials exhibiting the characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity, as such terms are defined in connection with hazardous materials or hazardous wastes or hazardous or toxic substances in any Environmental Law; and

(e) “**Release**” shall have the same meaning as provided in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (S) 101(22), 42 U.S.C. (S) 9601(22).

(i) Except as set forth in Schedule 4.11, the Company is now in compliance in all material respects with all Environmental Laws, and has been in compliance with Environmental Laws. The conduct of the businesses of the Company or Parent, as applicable, does not violate or conflict with in any material respect any Environmental Laws.

(ii) Except as set forth in Schedule 4.11, the Company has obtained all necessary Permits. The Permits are in full force and effect, and are being complied with in all material respects. The Permits are transferable and will remain in effect or will be replaced,

renewed or transferred as appropriate immediately following the Closing. No other governmental authorizations are necessary for the day to day operations of the Company.

(iii) Except as set forth in Schedule 4.11, (A) the Company has not received any formal complaint or notice from any Governmental Entity or any other person alleging any past or present violation of any Environmental Law in connection with the operation of its business that is currently unresolved, (B) as of the date hereof, to the knowledge of the Company, there is no investigative proceeding against the Company by any governmental authority in connection with the past or present operation of its business, and (C) there are no claims under any Environmental Law against the Company.

(iv) Except as set forth in Schedule 4.11, the Company has not been subject to any administrative or judicial enforcement action pursuant to any Environmental Law either now or at any time during the past three years in connection with its business or the Company.

(v) Except as set forth in Schedule 4.11, the Company is not subject to any remedial obligation or other response action under a currently issued and applicable administrative order, decree, or agreement pursuant to any Environmental Law.

(vi) Except as set forth in Schedule 4.11, (A) no real property currently or formerly owned, leased, operated or used by the Company (including real property used for off-site disposal of any Regulated Material) is listed on any federal list of Superfund or National Priorities List sites or similar governmental lists, (B) to the Company's knowledge, there exist no circumstances that could result in any such property being listed on any federal list of Superfund or National Priorities List sites or similar governmental lists regarding waste sites at which there has been a Release or threatened Release of Regulated Materials, and (C) to the Company's knowledge, none of its real property been used at any time by any person as a hazardous waste treatment, storage or disposal site.

(vii) Except as set forth in Schedule 4.11, there are no (A) underground storage tanks (as defined under the Resource Conservation and Recovery Act or any equivalent Environmental Law), or (B) capacitors, transformers or other equipment or fixtures containing polychlorinated biphenyls ("PCBs") (other than light fixtures which contain PCBs), located in, at, under or on the real property owned or leased by the Company.

(viii) Except as set forth in Schedule 4.11, there are no facts, actions, activities, circumstances, conditions, occurrences, events, liabilities, or incidents, including any Release, threatened Release, generation, use, treatment, storage, disposal, arranging for disposal, transportation, or the presence of Regulated Materials, that are likely to (A) result in any environmental liability, (B) prevent or interfere with the operation of the Company's business as it is currently being conducted, in compliance with all applicable Environmental Laws, (C) materially affect the assets, business or financial conditions of the Company, or (D) adversely impact or affect the use of any real property owned, operated, or leased by the Company.

(ix) As of the Effective Time, the Company will have addressed those matters identified as items 2 and 3 of Schedule 4.11 in the manner contemplated therein.

4.12 Intangible Property. The Company or a subsidiary of the Company is the owner of, or a licensee under a valid license for, all items of intangible property which are material to the business of the Company and its subsidiaries as currently conducted, taken as a whole, including, without limitation, trade names, unregistered trademarks and service marks, brand names, patents and copyrights. As of the date of this Agreement, except as disclosed on Schedule 4.12, there are no claims pending or, to the Company's knowledge, threatened, that the Company or any subsidiary is in violation of any such intangible property rights of any third party which is reasonably likely to have a Company Material Adverse Effect.

4.13 Compliance with Laws and Orders. Except with respect to the matters described in Sections 4.9, 4.10 and 4.11, neither the Company nor any subsidiary is in violation of or in default under any law, statute, rule or regulation having the effect of law of the United States or any state, county, city or other political subdivision thereof or of any government or regulatory authority ("Laws") or writ, judgment, decree, injunction or similar order of any governmental or regulatory authority, in each case, whether preliminary or final (an "Order"), applicable to the Company or any Subsidiary or any of their respective assets and properties the effect of which, individually, or in the aggregate with other such violations and defaults, could reasonably be expected to have a Company Material Adverse Effect.

4.14 Rights Agreement. Assuming the accuracy of Parent's and Newco's representations in Section 5.25 of this Agreement, neither the execution nor the delivery of this Agreement will result in a "Distribution Date" (as defined in the Company Rights Agreement). The Company has irrevocably taken all actions necessary to make the Company Rights inapplicable to the Merger and the transactions contemplated hereby.

4.15 Certain Agreements. Except as set forth in Schedule 4.15, neither the Company nor any of its subsidiaries is a party to any oral or written agreement or plan, including any stock option plan, stock appreciation rights plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement. Except as described in Schedule 4.15 or except for any such as would not result in a Company Material Adverse Effect, the transactions contemplated by this Agreement will not constitute a "change of control" under, require the consent from or the giving of notice to any third party pursuant to, or accelerate the vesting or repurchase rights under, the terms, conditions or provisions of any loan or Commitment Letter, note, bond, mortgage, indenture, license, or any material lease, contract, agreement or other instrument or obligation to which the Company or any of its subsidiaries is a party or by which any of them or any of their properties or assets may be bound. Except as set forth in Schedule 4.15, there are no amounts payable by the Company or its subsidiaries to any officers of the Company or its subsidiaries (in their capacity as officers) as a result of the transactions contemplated by this Agreement and/or any subsequent employment termination.

4.16 Brokers and Finders. Except for the fees and expenses payable to Legg Mason Wood Walker, Incorporated, which fees and expenses are reflected in its agreement with the Company, a true and correct copy of which has been furnished to Parent, the Company has not employed any investment banker, broker, finder, consultant or intermediary in connection with

the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or other fee or commission in connection with this Agreement or the transactions contemplated hereby.

4.17 Opinion of Financial Advisor. The Company has received the opinion of Legg Mason Wood Walker, Incorporated, dated as of the date of this Agreement, to the effect that, as of such date, the Merger Consideration to be received by the shareholders of the Company pursuant to the Merger is fair to such shareholders from a financial point of view.

4.18 Accuracy of Information Furnished. No representation, statement, or information made or furnished by the Company to Parent or any of Parent's representatives, including those contained in this Agreement and the various Schedules attached hereto and the other information and statements referred to herein and previously furnished by the Company, contains or shall contain any untrue statement of a material fact or omits or shall omit any material fact necessary to make the information contained therein not misleading. The Company has provided Parent with true, accurate and complete copies of all documents listed or described in the various Schedules attached hereto.

4.19 Equity Investments. Except as set forth in Schedule 4.19, the Company does not own, directly or indirectly, any capital stock or other ownership interest in any Person. Schedule 4.19 contains a complete and accurate list of the Company's direct and indirect subsidiaries.

4.20 No Default. Except as set forth in Schedule 4.20, neither the Company nor any of its subsidiaries is in material breach, default or violation (and no event has occurred which with notice or the lapse of time or both would constitute a breach, default or violation) of any term, condition or provision of (i) its Articles of Incorporation or Bylaws (or similar governing documents), or (ii) any Law applicable to Company or its subsidiaries or any of their respective properties or assets.

4.21 Material Contracts. Schedule 4.21 lists all written or oral contracts, agreements, leases, instruments or legally binding contractual commitments ("Contracts") that are of a type described below (collectively, the "Company Material Contracts"):

(a) any Contract with a customer of the Company or its subsidiaries or with any entity that purchases goods or services from the Company or its subsidiaries for consideration paid to the Company or its subsidiaries of \$100,000 or more in any fiscal year;

(b) any Contract for capital expenditures or the acquisition or construction of fixed assets in excess of \$100,000;

(c) any Contract for the purchase or lease of goods or services (including without limitation, equipment, materials, software, hardware, supplies, merchandise, parts or other property, assets or services), requiring aggregate future payments in excess of \$100,000, other than standard inventory purchase orders executed in the ordinary course of business;

(d) any Contract relating to the borrowing of money or guaranty of indebtedness;

- (e) any collective bargaining or other arrangement with any labor union;
- (f) any Contract granting a first refusal, first offer or similar preferential right to purchase or acquire any of the Company's capital stock or assets;
- (g) any Contract limiting, restricting or prohibiting the Company from conducting business anywhere in the United States or elsewhere in the world or any Contract limiting the freedom of the Company to engage in any line of business or to compete with any other Person;
- (h) any joint venture or partnership Contract;
- (i) any Contracts requiring future payments of \$100,000 or more; and
- (j) any written employment Contract, severance agreement or other similar binding agreement or policy with any employee.

The Company has delivered to Parent a true and complete copy of each written Company Material Contract (and a written description of each oral Company Material Contract), including all amendments or other modifications thereto. Except as set forth in Schedule 4.21, each Company Material Contract is a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject only to bankruptcy, reorganization, receivership or other laws affecting creditors' rights generally and general principles of equity (whether applied in an action at law or in equity). Except as set forth in Schedule 4.21, the Company is in compliance with all obligations required to be performed by it under the Company Material Contracts, and the Company is not and, to the knowledge of the Company, no other party to a Company Material Contract is, in breach or default thereunder in any material respect. Immediately upon the effectiveness of this Agreement (and the concurrent termination of the NTELOS Merger Agreement), the Company's August 20, 2001 agreement to sell its wireless operations to VoiceStream shall automatically terminate (without the payment of any fee or any other consideration), and thereupon the Company shall not have any further obligation to VoiceStream or any other person in connection with the transactions contemplated by such terminated agreement.

4.22 State Takeover Statutes; Anti-Takeover Provisions. The Company has taken all actions with respect to any anti-takeover provisions of the Company's Bylaws or Articles of Incorporation or applicable provisions of the PBCL necessary to enter into and consummate the Merger on the terms set forth in this Agreement.

4.23 Transactions With Affiliates. Except as set forth in Schedule 4.23, or as contemplated by this Agreement, since December 31, 2000, the Company has not, in the ordinary course of business or otherwise, purchased, leased or otherwise acquired any material property or assets or obtained any material services from, or sold, leased or otherwise disposed of any material property or assets or provided any material services to (except with respect to remuneration for services rendered as a director, officer or employee of the Company in the ordinary course), (i) any employee of the Company, (ii) any shareholder of the Company, (iii) any person, firm or corporation that directly or indirectly controls, is controlled by or is under

common control with the Company, or (iv) any member of the immediate family of any of the foregoing persons (collectively, "Company Affiliates"). Except as set forth in Schedule 4.23, (a) the Company's Material Contracts do not include any obligation or commitment between the Company and any Company Affiliate, (b) the assets of the Company do not include any receivable or other obligation or commitment from a Company Affiliate to the Company and (c) the liabilities reflected on the Company SEC Reports do not include any obligation or commitment to any Company Affiliate.

4.24 Licenses. All licenses issued by the FCC and any applicable state agencies (the "Licenses") required for the operation of the business of the Company and its subsidiaries are set forth in Schedule 4.24 and are in full force and effect and there are no pending modifications, amendments or revocation proceedings which would materially adversely affect the operations of the Company. All material fees due and payable to governmental authorities pursuant to the rules governing the Licenses have been paid and no event has occurred with respect to the Licenses held by the Company which, with the giving of notice or the lapse of time or both, would constitute grounds for revocation thereof. The Company is in compliance in all material respects with the terms of the Licenses, as applicable, and there is no condition, event or occurrence existing, nor is there any proceeding being conducted of which the Company has received notice, nor, to the Company's knowledge, is there any proceeding threatened, by any governmental entity, including the PPUC or the FCC, which would cause the termination, suspension, cancellation or nonrenewal of any of the Licenses, or the imposition of any penalty or fine by any regulatory authority.

4.25 Information Supplied. None of the information supplied or to be supplied by the Company for inclusion in (i) the Registration Statement will, at the time the Registration Statement is filed with the SEC, and at any time it is amended or supplemented or at the time it becomes effective under the Securities Act of 1933, as amended (the "Securities Act") 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, and (ii) the Joint Proxy Statement will, at the date the Joint Proxy Statement is first mailed to the Company's and Parent's shareholders and at the time of the Company Shareholders Meeting and Parent's Shareholders Meeting, 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 are made, not misleading. The Joint Proxy Statement, as it relates to the Company Shareholders Meeting, will comply as to form in all material respects with the applicable requirements of the Exchange Act and the rules and regulations thereunder, except that no representation or warranty is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by Parent for inclusion or incorporation by reference therein.

4.26 Title to and Condition of Assets.

(a) Each of the Company and its subsidiaries has good title to, or valid leasehold interests in, all its material properties and assets, except for minor defects in title, easements, restrictive covenants and similar encumbrances or impediments that, in the aggregate do not and will not materially interfere with its ability to conduct its business as currently conducted. Except as set forth in Schedule 4.26, all such assets and properties, other than assets

and properties in which the Company or any of the subsidiaries has leasehold interests, are free and clear of all liens, pledges, security interests, charges, claims, rights of third parties and other encumbrances of any kind or nature ("Liens"), and except for minor Liens, that, in the aggregate, do not and will not materially interfere with the ability of the Company or any of its subsidiaries to conduct business as currently conducted or as reasonably expected to be conducted.

(b) Each of the Company and each of its subsidiaries has complied in all material respects with the terms of all leases to which it is a party and under which it is in occupancy, and all such leases are in full force and effect. Each of the Company and each of its subsidiaries enjoys peaceful and undisturbed possession under all such leases.

(c) Except as set forth in Schedule 4.26, to the knowledge of the Company, the buildings and premises of the Company and each of its subsidiaries that are used in its business are in adequate operating condition and in a state of adequate maintenance and repair, normal wear and tear excepted, are adequate for the purpose for which they are currently being used, and have access to adequate utility services necessary for the conduct of the business. All items of operating equipment of the Company and its subsidiaries are in adequate operating condition and in a state of reasonable maintenance and repair, ordinary wear and tear excepted.

4.27 Undisclosed Liabilities and Commitments. Except as set forth in Schedule 4.27, at the date of the most recent Company SEC Report, neither the Company nor any of its subsidiaries had, and since such date neither the Company nor any of such subsidiaries has incurred (except in the ordinary course of business consistent with past practice), any liabilities, commitments or obligations of any nature (whether accrued, absolute, contingent or otherwise), required by GAAP to be set forth on a financial statement or in the notes thereto or which, individually or in the aggregate, could reasonably be expected to have a Company Material Adverse Effect.

4.28 Tax Representation Letter. If the Merger were to become effective as of the date hereof, the Company could execute a Tax Representation Letter substantially in the form of Exhibit F.

ARTICLE V -- REPRESENTATIONS AND WARRANTIES OF PARENT AND NEWCO

Each of Parent and Newco represent and warranty jointly and severally to the Company as of the date of this Agreement and as of the Effective Time that:

5.1 Corporate Organization and Qualification. Each of Parent and its Significant Subsidiaries and Newco is an entity duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization, as applicable, and is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated, or the business conducted, by it require such qualification, except where the failure to so qualify or be in such good standing would not have a Parent Material Adverse Effect or adversely affect the consummation of the transactions contemplated hereby. Each of Parent and its Significant Subsidiaries has all requisite power and authority (corporate or otherwise) to own its properties and to carry on its business as it is now being conducted except where failure to have such power and authority would not have a Parent Material Adverse Effect

or materially adversely affect the consummation of the transactions contemplated hereby. Parent and Newco have heretofore made available to the Company complete and correct copies of their respective Articles of Incorporation and Bylaws, each as amended.

5.2 Capitalization. The authorized capital stock of Parent consists of (a) 30,000,000 Shares of common stock, par value \$0.16 per share (the "Parent Common Stock"), of which, as of the date of this Agreement, 7,350,838 shares were issued and outstanding. All of the outstanding shares of capital stock of Parent have been duly authorized and validly issued and are fully paid and nonassessable. As of June 30, 2001, 525,000 shares of Parent Common Stock were reserved for issuance under Parent's 1999 Long Term Incentive Plan, 256,064 shares of Parent Common Stock were reserved for issuance under Parent's Employee Stock Purchase Plan, 284,454 shares of Parent Common Stock were reserved for issuance under Parent's 2000 Employee Stock Purchase Plan, 175,713 shares of Parent Common Stock were reserved for issuance under Parent's Dividend Reinvestment and Stock Purchase Plan and 13,960 shares of Parent Common Stock were reserved for issuance under Parent's Stock Compensation Plan for Non-Employee Directors. Except as set forth on Schedule 5.2, all outstanding shares of capital stock of Parent's subsidiaries are owned by Parent or a direct or indirect wholly owned subsidiary of Parent, free and clear of all liens, charges, encumbrances, claims and options of any nature. Except as set forth above and on Schedule 5.2, there are not, as of the date hereof, any outstanding or authorized options, warrants, calls, rights (including preemptive rights), commitments or any other agreements of any character to which Parent or any of its subsidiaries is a party, or by which they may be bound, requiring it to issue, transfer, sell, purchase, redeem or acquire any shares of capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of capital stock of Parent or any of its subsidiaries. Except for the Voting Agreements and as set forth on Schedule 5.2, there are not as of the date hereof and there will not be at the Effective Time of the Merger any registration rights agreements, shareholder agreements, voting trusts or other agreements or understandings to which Parent is a party or by which it is bound relating to the voting of any shares of Parent capital stock. There are no restrictions on Parent with respect to voting the stock of any of its subsidiaries. The shares of Parent Common Stock to be issued to shareholders of the Company will be duly authorized, validly issued, fully paid and nonassessable.

5.3 Authority Relative to This Agreement. Each of Parent and Newco has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement and the consummation by Parent and Newco of the transactions contemplated hereby have been duly and validly authorized by the respective Boards of Directors of Parent and Newco and by Parent as sole shareholder of Newco, and no other corporate proceedings on the part of Parent and Newco are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Parent and Newco and, assuming this Agreement constitutes the valid and binding agreement of the Company, constitutes the valid and binding agreement of each of Parent and Newco, enforceable against each of them in accordance with its terms, except that such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

5.4 Consents and Approvals: No Violation.

(a) Neither the execution and delivery of this Agreement by Parent or Newco nor the consummation by Parent and Newco of the transactions contemplated hereby will:

(i) conflict with or result in any breach of any provision of the Articles of Incorporation or the Bylaws, as amended, respectively, of Parent or Newco;

(ii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, except (A) in connection with the applicable requirements of the HSR Act, (B) pursuant to the applicable requirements of the Exchange Act, (C) the filing of the articles of merger pursuant to the PBCL and appropriate documents with the relevant authorities of other states in which Parent is authorized to do business, (D) such filings and consents as may be required by the FCC or the FCC Rules and the PPUC or the PPUC Rules, (E) as may be required by any applicable state securities or "blue sky" laws or state takeover laws, (F) such filings and consents as may be required under any environmental, health or safety law or regulation pertaining to any notification, disclosure or required approval triggered by the Merger or the transactions contemplated by this Agreement, (G) where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, would not individually or in the aggregate have a Parent Material Adverse Effect or materially adversely affect the consummation of the transactions contemplated hereby or (H) such filings, consents, approvals, orders, registrations and declarations as may be required as a result of the status or identity of the Company;

(iii) except as set forth in Schedule 5.4(c), result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or lien or other charge or encumbrance) under any of the terms, conditions or provisions of any note, license, agreement or other instrument or obligation to which Parent or any of its Significant Subsidiaries may be bound, except for such violations, breaches and defaults (or rights of termination, cancellation or acceleration or lien or other charge or encumbrance) as to which requisite waivers or consents have been obtained or which individually or in the aggregate would not have a Parent Material Adverse Effect; or

(iv) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in this Section 5.3 are duly and timely obtained or made, and, with respect to this Agreement, the approval by Parent's Shareholders has been obtained violate any material order, writ, injunction, decree, statute, rule or regulation applicable to Parent or any of its subsidiaries or to any of their respective assets.

(b) The affirmative vote of a majority of the voting power of the outstanding shares of Parent's voting capital stock in favor of the issuance of shares of Parent capital stock in connection with the Merger ("Parent Shareholder Approval") is the only vote of the holders of any class or series of Parent's or its subsidiaries' securities necessary to approve this Agreement and the transactions contemplated hereby.