

Name: Charles Y. Tanabe
Title: Senior Vice President

BY: JOHN S. HENDRICKS

JOHN S. HENDRICKS

LIBERTY ANIMAL, INC.

For purposes stated in the First Amendment to this Agreement.

By: CHARLES Y. TANABE

Name: Charles Y. Tanabe
Title: Senior Vice President

Schedule I

Record Holder*	Class A Common Stock
LMC Discovery, Inc.	25,200
Advance/Newhouse Programming Partnership	12,599
Cox Communications Holdings, Inc.	12,600
John S. Hendricks	1

* After the redemption of Hendricks' Capital Stock as described in Recital B and the purchase by Hendricks of the NH Purchased Share as described in Recital C.

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Exhibit 10.5

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Exhibit 10.4

**THIRD AMENDMENT TO SHAREHOLDERS
AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.**

THIRD AMENDMENT TO SHAREHOLDERS AGREEMENT, dated as of September, 2001 (the "Third Amendment"), by and among Discovery Communications, Inc., a Delaware close corporation (the "Company"), Cox Communications Holdings, Inc., a Delaware corporation (as successor in interest to Cox Discovery, Inc., "Cox"), Advance/Newhouse Programming Partnership, a New York general partnership (as successor in interest to Newhouse Broadcasting Corporation, "Newhouse"), LMC Discovery, Inc., a Colorado corporation (formerly known as TCI Cable Education, Inc., "LMC"), John S. Hendricks ("Hendricks"), and together with Cox, LMC and Newhouse, the "Existing Stockholders", and Advance Programming Holdings Corp., a New York corporation ("Advance", and together with the Existing Stockholders, collectively the "Stockholders" and each individually as a "Stockholder").

RECITALS

A. The Existing Stockholders are parties to that certain Shareholders Agreement, dated as of November 30, 1991, of the Company (as the same has been and shall be amended from time to time, the "Shareholders Agreement"). Unless otherwise defined herein, capitalized terms used herein which are defined in the Shareholders Agreement shall have the same meanings when used herein as therein defined.

B. The Company has offered for sale that certain Class B Non-voting common stock, \$0.01 par value (the "Class B Stock") to each of the Existing Stockholders, pro rata, based on the equity held thereby in the Company. Newhouse has requested that in lieu of Newhouse, Advance be permitted to acquire the pro rata portion of the Class B Stock that Newhouse would otherwise be entitled to acquire (the "Newhouse Portion"). In connection therewith, and as a precondition thereto, Advance shall be admitted as a party to the Shareholders Agreement. The Existing Stockholders, which constitute the holders of all of the issued and outstanding equity of the Company, have agreed that Advance may acquire the Newhouse Portion and be admitted as a party to the Shareholders Agreement.

C. In accordance with Section 10.03 of the Shareholders Agreement, the parties hereto desire to evidence the agreement of each of the Existing Stockholders to the acquisition by Advance of the Newhouse Portion, to amend the Shareholders Agreement to provide for the addition of Advance as a party thereto and to otherwise reflect the issuance of the Class B Stock.

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

1. By execution and delivery of this Third Amendment thereby, each of the Existing Stockholders hereby consents to the acquisition by Advance of the Newhouse Portion.
2. By execution and delivery of this Third Amendment, Advance is hereby admitted as a party to the Shareholders Agreement and Advance agrees to be bound by and subject to the terms and provisions thereof.
3. The definitions of "Stockholder" and "Stockholders" as set forth in the preamble of the Shareholders Agreement are hereby amended to include Advance as a "Stockholder".
4. Article I of the Shareholders Agreement is hereby amended to delete the definition of "Capital Stock" therefrom, to insert the following definition of "Capital Stock" in lieu thereof, and include the following additional definitions therein:

"Advance" shall mean Advance Programming Holdings Corp., a New York corporation.

"Capital Stock" shall mean the Class A Stock and the Class B Stock.

"Class A Stock" shall mean the Class A Common Stock, par value \$0.01 per share, of the Company.

"Class B Stock" shall mean the Class B Non-voting Common Stock, par value \$0.01 per share, of the Company."

5. Article B of the Shareholders Agreement is hereby amended by deleting Section 2.02 therefrom and inserting the following Section 2.02 in lieu thereof:

"2.02 *Voting Rights.*

- a. Each Stockholder shall be entitled to one (1) vote (or fraction thereof) for each share of Class A Stock (or fraction thereof) owned by such Stockholder.
- b. Each Stockholder shall not be entitled to any vote for any share of Class B Stock (or fraction thereof) owned by such Stockholder, except as may otherwise be required by the laws of the State of Delaware."

6. Schedule I to the Shareholders Agreement is hereby deleted from therefrom and Schedule I attached hereto is hereby inserted in lieu thereof.

7. This Third Amendment shall become effective immediately upon the execution of this Third Amendment by all parties hereto.

8. Except as expressly amended hereby, the Shareholders Agreement shall remain in full force and effect in accordance with its terms.

9. This Third Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties herein have executed this Third Amendment as of the date first set forth above.

/s/ DISCOVERY
COMMUNICATIONS, INC.

/s/ COX COMMUNICATIONS
HOLDINGS, INC.

/s/ ADVANCE NEWHOUSE
PROGRAMMING PARTNERSHIP

By: ADVANCE PROGRAMMING
HOLDINGS CORP.
A General Partner

/s/ LMC DISCOVERY, INC

/s/ JOHN S. HENDRICKS

/s/ ADVANCE PROGRAMMING
HOLDINGS CORP.

Schedule I

Stockholder	Class A Common Stock	Class B Non-voting Stock
LMC Discovery, Inc.	25,200 Shares	25,200 Shares
Advance Newhouse Programming Partnership	12,600 Shares	0 Shares

Advance Programming Holdings Corp.	0 Shares	12,600 Shares
Cox Communications Holdings, Inc.	12,600 Shares	12,600 Shares
John S. Hendricks	215 Shares	215 Shares

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THIRD AMENDMENT TO SHAREHOLDERS AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.

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Exhibit 10.3

**SECOND AMENDMENT TO SHAREHOLDERS
AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.**

This SECOND AMENDMENT TO SHAREHOLDERS AGREEMENT (the "Amendment") is made and entered into as of September 7, 2006, by and among Discovery Communications, Inc., a Delaware corporation (the "Company"), Cox Communications Holdings, Inc., a Delaware corporation ("Cox") (the successor to Cox Discovery, Inc.), Advance Newhouse Programming Partnership, a New York general partnership ("ANPP") (the successor to Newhouse Broadcasting Corporation), IMC Discovery, Inc. (formerly known as TCI Cable Education, Inc.), a Colorado corporation ("TCID") and John S. Hendricks ("Hendricks") (Cox, ANPP, TCID and Hendricks and their permitted assignees and transferees are referred to herein collectively as "Stockholders" and individually as a "Stockholder").

RECITALS

WHEREAS, the Stockholders agree that the Persons to whom Hendricks may transfer Shares hereunder shall be increased to include certain specified entities (the "Exempt Transferees");

WHEREAS, Hendricks and the Company concurrently herewith are executing the Amended and Restated Option Agreement dated as of the date hereof which extends to the Company certain additional rights to repurchase Shares if owned by any of such Exempt Transferees;

WHEREAS, Section 10.03 of that certain Shareholders Agreement, dated as of November 30, 1991, by and among Discovery Communications, Inc., Cox Discovery, Inc., New Channels TDC Investments, Inc., TCI Cable Education, Inc., John S. Hendricks and for purposes of Section 4.02 only, Discovery Programming Investment, Inc. (the "Shareholders Agreement") provides for amendment of the Shareholders Agreement;

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

1. Article I of the Shareholders Agreement shall be amended to include the following:

"Hendricks Charitable Foundation" shall mean the John and Maureen Hendricks Charitable Foundation under Agreement dated April 27, 1999.

"Hendricks Charitable Remainder Trust" shall mean any charitable remainder trust of which Hendricks is a grantor and to which the Company has given its advance written consent to Hendricks' transfer or assignment of Shares.

"Hendricks Family Foundation" shall mean the John S. Hendricks Family Foundation under Agreement dated September 21, 1995.

2. Article VI of the Shareholders Agreement shall be amended by inserting at the end of Section 6.01(a)(i) the following:

and in the case of Hendricks to any of the Hendricks Charitable Remainder Trust(s), the Hendricks Family Foundation, the Hendricks Charitable Foundation and/or to a member of Hendricks' Immediate Family or to Hendricks' estate.

3. Article VI of the Shareholders Agreement shall be amended by inserting in Section 6.01(a)(ii) after "Shares" the following:

or by the Hendricks Charitable Remainder Trust(s), the Hendricks Family Foundation or the Hendricks

Charitable Foundation.

4. Article X of the Shareholders Agreement shall be amended by inserting at the end of the first sentence of Section 10.02 after "estate" the following:

and to any of the Hendricks Charitable Remainder Trust(s), the Hendricks Family Foundation and the Hendricks Charitable Foundation to which Hendricks shall have transferred Shares.

5. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Shareholders Agreement.

6. This Second Amendment shall become effective immediately upon the execution of this Second Amendment by all parties hereto.

7. Except as expressly amended hereby, the Shareholders Agreement shall remain in full force and effect.

8. This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties herein have executed this instrument as of the date first set forth above.

August 16, 2000	/s/ DISCOVERY COMMUNICATIONS, INC
August 16, 2000	/s/ COX COMMUNICATIONS HOLDINGS, INC.
August 16, 2000	/s/ ADVANCE NEWHOUSE PROGRAMMING PARTNERSHIP
	By: ADVANCE COMMUNICATION CORP. A General Partner
August 16, 2000	/s/ TCI CABLE EDUCATION, INC.
August 16, 2000	/s/ JOHN S. HENDRICKS

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SECOND AMENDMENT TO SHAREHOLDERS AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.

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Exhibit 10.2

**FIRST AMENDMENT TO THE SHAREHOLDERS
AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.**

THIS FIRST AMENDMENT TO THE SHAREHOLDERS AGREEMENT OF DISCOVERY COMMUNICATIONS, INC. is made as of this 20th day of December 1996, by and among Discovery Communications, Inc., Cox Communications Holdings, Inc., Newhouse Broadcasting Corporation ("Newhouse") as successor in interest to NewChannels TDC Investments, Inc., TCI Cable Education, Inc., John S. Hendricks and for the purposes stated herein only, LMC Animal Planet, Inc. ("LMC") and Liberty Media Corporation, a Colorado corporation ("Liberty").

WHEREAS, Section 4.03 of that certain Shareholders Agreement dated as of November 30, 1991, by and among Discovery Communications, Inc., Cox Communications Holdings, Inc., Newhouse as successor in interest to NewChannels TDC Investments, Inc., TCI Cable Education, Inc., John S. Hendricks and for purposes of Section 4.02 only, Discovery Programming Investment, Inc. (the "Shareholders Agreement") provides for amendment of the Shareholders Agreement;

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

1. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to such terms in the Shareholders Agreement.

2. The parties hereto agree that the Shareholders Agreement is hereby amended as follows:

2.1 (a) Article I of the Shareholders Agreement is hereby amended to add the following definitions:

"Partnership Agreement" shall mean the Limited Partnership Agreement of Animal Planet, L.P. dated as of December 20, 1996 by and among Animal Planet, L.L.C., LMC, Newhouse and Cox.

"Partnership Interest" shall mean any and all equity interest in Animal Planet, L.P., a Delaware limited partnership, which any Stockholder or any Affiliate thereof now holds or has the right to acquire or which any Stockholder or any Affiliate thereof hereafter acquires or has the right to acquire, irrespective of the manner of such acquisition, including, without limitation, any equity interest acquired by reason of any purchases by, or transfer or issuance to, any such Stockholder or any Affiliate thereof; provided, however, that "Partnership Interest" shall not include any Senior Preferred Partnership Units in Animal Planet, L.P.

(b) Article I of the Shareholders Agreement is hereby amended to add the following to the end of the definition of "Shares":

", together with any Partnership Interest of such Stockholder or Affiliate."

2.2 The introductory clause of Section 6.01(a) shall be deleted in its entirety, and the following substituted therefor:

"There shall be no Transfer by any Stockholder of any Shares, or by any Partner of any portion of its Partnership Interest, in any manner or by any means whatsoever except for the following transfers which shall be permitted provided that the transferor complies with all of the applicable requirements in this Article VI. For purposes of this Article VI, "Stockholder" means Cox, Newhouse, TCI, LMC, Hendricks, and their permitted assignees and transferees (other than an assignee or transferee of Shares pursuant to the exercise of a remedy by the Agent or the Banks under a Pledge Agreement which assignee or transferee is not a party hereto)."

2.3 The ninth line of clause 6.02(d) of the Shareholders Agreement is amended to add the following after "Offered Shares":

"(and documents appropriate to transfer the Partnership Interest)"

2.4 The tenth and fourteenth lines of Article IX of the Shareholders Agreement are amended to add following after "hereunder" in each such line:

"or under the Partnership Agreement, as applicable."

3 Prior to the date hereof, NewChannels TDC Investments, Inc. transferred its Shares to its parent corporation, Newhouse Broadcasting Corporation, a New York corporation, pursuant to Section 6.01(a)(i) of the Shareholders Agreement. Newhouse Broadcasting Corporation hereby agrees to be bound by and assume all obligations and restrictions under the Shareholders Agreement as if Newhouse Broadcasting Corporation were an original party to the Shareholders Agreement and as if all references in the Shareholders Agreement to "Stockholder" referred to Newhouse Broadcasting Corporation.

4 Article VI of the Shareholders Agreement is amended by adding the following Section 6.08 at the end thereof:

"6.08 *Transfer of Stock of TCID and LMC.*

Liberty Media Corporation ("Liberty") hereby agrees that it shall not, directly or indirectly, Transfer, or permit the Transfer of, the capital stock of TCID or LMC in such a manner that both TCID and LMC are not controlled by the same person. For these purposes, "controlled" shall have the meaning as ascribed thereto in the definition of the term "Affiliate." Liberty shall cause any transferee of the capital stock of TCID and LMC to execute and deliver to the Company a written agreement to the effect that such transferee shall be subject to the obligations and restriction set forth in this Section 6.08 as if such transferee were an original party hereunder and as if all references in this Agreement to "Liberty" referred to such transferee."

5 This First Amendment shall become effective immediately upon the execution of this First Amendment by all parties hereto.

6 Except as expressly modified hereby, the Shareholders Agreement shall remain in full force and effect.

7 This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties herein have executed this instrument as of the date first set forth above.

/s/ DISCOVERY
COMMUNICATIONS, INC.

/s/ JOHN S. HENDRICKS

/s/ COX COMMUNICATIONS
HOLDINGS, INC.

/s/ NEWHOUSE BROADCASTING
CORPORATION

/s/ TCI CABLE EDUCATION, INC.

/s/ LMC ANIMAL PLANET, INC.

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FIRST AMENDMENT TO THE SHAREHOLDERS AGREEMENT OF DISCOVERY COMMUNICATIONS, INC.

*** Slip Sheet ***

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Exhibit 10.1

**SHAREHOLDERS AGREEMENT
 OF
 DISCOVERY COMMUNICATIONS, INC.
 BY AND AMONG
 DISCOVERY COMMUNICATIONS, INC.
 COX DISCOVERY, INC.
 NEWCHANNELS TDC INVESTMENTS, INC.
 TCI CABLE EDUCATION, INC.
 JOHN S. HENDRICKS
 AND
 FOR PURPOSES OF SECTION 4.02 ONLY,
 DISCOVERY PROGRAMMING INVESTMENT, INC.**

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SCHEDULE

SCHEDULE I Capital Stock

SHAREHOLDERS AGREEMENT

This SHAREHOLDERS AGREEMENT made as of November 30, 1991 (the "Agreement") by and among Discovery Communications, Inc., a Delaware corporation (the "Company", which term shall include CEN, as the predecessor in interest of the Company), Cox Discovery, Inc., a Delaware corporation ("Cox"), NewChannels TDC Investments, Inc., a New York corporation ("NewChannels"), TCI Cable Education, Inc., a Colorado corporation ("TCID"), John S. Hendricks ("Hendricks") (Cox, NewChannels, TCID, and Hendricks and their permitted assignees and transferees (other than an assignee or transferee of Shares pursuant to the exercise of a remedy by the Agent or the Banks under a Pledge Agreement which assignee or transferee is not a party hereto) are referred to herein collectively as the "Stockholders" and individually as a "Stockholder") and for purposes of Section 4.02 only, Discovery Programming Investment, Inc. ("United").

RECITALS

WHEREAS, the Company is organized as a close corporation managed by its Stockholders rather than a board of directors under the General Corporation Law of the State of Delaware;

WHEREAS, the authorized capital stock of the Company consists of One Hundred Thousand (100,000) shares of common stock, par value of one cent (\$0.01) per share (the "Capital Stock");

WHEREAS, each of the Stockholders owns the number of shares of Capital Stock set forth opposite the name of such Stockholder on Schedule I;

WHEREAS, the parties have determined that it is in the best interests of the Company and the Stockholders to impose certain restrictions on the disposition and transfer of the Capital Stock, to create certain rights of purchase and sale with respect thereto, and to provide for the continuity and stability of the business and policies of the Company;

NOW, THEREFORE, based upon the foregoing and the mutual covenants herein contained and other good and valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

As used herein, capitalized terms shall have the meanings ascribed to them below or elsewhere in this Agreement (terms defined in the singular shall have the same meanings when used in the plural and *vice versa*):

"*Affiliate*" shall mean, with respect to any Stockholder, a Person (other than the Company) that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Stockholder. For purposes of this definition, "control" shall mean (i) the ownership, directly or indirectly, of equity securities or other ownership interest in a Person by another Person which represents more than fifty percent (50%) of the voting power of such Person or (ii) the power to direct or cause the direction of the management and policies of a Person whether by contract or otherwise.

"*Affiliation Agreement*" shall mean an agreement pursuant to which the Company licenses a Cable System to carry The Discovery Channel.

"*Agon*" shall have the meaning set forth in Section 6.07(a).

"*Agreement*" shall mean this Shareholders Agreement and Schedule I attached hereto, as they may be amended or supplemented pursuant to the terms hereof.

"*Annual Business Plan*" shall mean for any fiscal year of the Company, a comprehensive statement of the objectives and projections of the Company (including its Subsidiaries) with respect to the operations of its business, including without limitation, objectives and projections concerning capital expenditures, cable television programming developments, license fees, subscriber discounts, revenues, and expenses.

"*Banks*" shall have the meaning set forth in Section 6.07(a).

"*Cable System*" shall mean a cable television system of any of the MSOs or any Affiliate thereof.

"*Capital Stock*" is as defined in the recitals to this Agreement.

"*Capitalized Lease Obligations*" of any Person shall mean any obligations to pay rent or other amounts under a lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"*Cash Flow*" shall mean for any Person, for any period, gross operating revenues of such Person and any Entities required to be consolidated with such Person on a financial statement in accordance with GAAP (the "Consolidated Group") for such period derived in the ordinary course of business from continuing operations minus all operating expenses from continuing operations of such Consolidated Group for such period, including, without limitation, technical, programming, selling, advertising, general and administrative expenses and corporate overhead incurred to the extent deducted in calculating operating income by such Consolidated Group during such period and all income taxes paid, but excluding depreciation, amortization, deferred taxes and other non-cash charges and interest expense, all the foregoing otherwise being determined in accordance with GAAP. Interest income, extraordinary items and gains or losses on sales or dispositions of property shall be excluded from the calculation of Cash Flow. In the event of a sale, transfer or other disposition of any asset by any member of the Consolidated Group during any period, Cash Flow shall be adjusted (a) to give effect to such sale, transfer or other disposition by excluding from Cash Flow the actual cash flow derived from such asset as if such sale, transfer or other disposition occurred on the first day of such period, and (b) by adding to Cash Flow all sale, transfer and other disposition-related operating expenses incurred by such member in connection with the sale, transfer or other disposition of such asset. In the event of an acquisition of any asset by any member of the Consolidated Group during any period, Cash Flow shall be adjusted (a) to give effect to such acquisition by including in Cash Flow the actual cash flow derived from such asset as if such acquisition occurred on the first day of such period, and (b) by adding to Cash Flow all acquisition-related operating expenses incurred by such member in connection with the acquisition of such asset.

"*CEA*" shall mean Cable Educational Network, Inc., a Maryland corporation and the predecessor in interest of the Company.

"Company" is as defined in the preamble to this Agreement.

"Company Convertible Securities" means any securities convertible into or exchangeable for Capital Stock or any other equity securities of the Company, including any options, warrants or other rights to purchase or otherwise acquire any of the foregoing.

"Convertible Securities" means any securities convertible into or exchangeable for Capital Stock or any other equity securities of the Company or any of its Subsidiaries, including any options, warrants or other rights to purchase or otherwise acquire any of the foregoing.

"Cov" is as defined in the preamble to this Agreement.

"Debt Service" shall mean for any period, the sum of (i) all principal due and payable with respect to any item of indebtedness during such period and (ii) all interest, premium, commitment, and other recurring or nonrecurring charges that are payable and should be accrued in accordance with GAAP with respect to any item of Indebtedness during such period.

"Default Period" shall mean the period of time which shall commence on the date on which any Shares of an MSO pledged pursuant to a Pledge Agreement (the "Subject Shares") are transferred to any Person, other than any of the MSOs or Hendricks or any of their Affiliates, as a result of the exercise by the Agent on behalf of the Banks of a remedy upon the occurrence and during the continuation of an event of default under such Pledge Agreement, and which shall terminate on the date such Subject Shares are reacquired by any of the MSOs or Hendricks or any of their Affiliates from any of the Banks or the Agent.

"Entity" shall mean any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative or association.

"Fair Market Value" shall mean as to any property (both tangible and intangible), the price in cash at which a willing seller would sell and a willing buyer would buy such property having full knowledge of the facts, in an arm's-length transaction without time constraints, and without being under any compulsion to buy or sell.

"GAAP" shall mean generally accepted accounting principles as in effect in the United States from time to time, consistently applied.

"Hendricks" is as defined in the preamble to this Agreement.

"Immediate Family" shall have the meaning set forth in Section 3.01(b).

"Indebtedness" shall mean with respect to any Person, any indebtedness or obligations, direct or indirect, secured or unsecured, contingent or otherwise (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) for borrowed money, and any deposits or advances of any kind, and all obligations with respect to which interest charges are customarily paid, and all obligations evidenced by bonds, notes, debentures or similar instruments or representing the balance deferred and unpaid of the purchase price of any property or payment for any services (other than accounts payable to suppliers incurred in the ordinary course of business and paid in the ordinary course of business), if and to the extent any of the foregoing obligations or indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, and shall also include, to the extent not otherwise included (but without duplication), (i) any Capitalized Lease Obligations, (ii) obligations secured by a lien to which the property or assets owned or held by such Person are subject, whether or not the obligation or obligations secured thereby shall have been assumed, (iii) any obligations, contingent or otherwise, guaranteeing or having the economic effect of guaranteeing any debt or obligation of any other Person, (iv) the face value of any letters of credit and bankers acceptances less amounts drawn thereunder and for which reimbursement has been made, (v) the amount of any obligations of such Person under conditional sales and title retention agreements and (vi) obligations of any such Person under any Interest Rate Agreement applicable to any of the foregoing.

"Interest Rate Agreement" shall mean for any Person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, or other similar agreement designed to protect the party indicated therein against fluctuations in interest rates.

"Merger" shall mean the proposed merger of UAE into and with a wholly-owned Subsidiary of TCI in which the

survivor is or shall be a wholly-owned Subsidiary of ICI on substantially the same terms and conditions as set forth in that certain Agreement and Plan of Merger dated June 6, 1991, as amended.

"MSOs" shall mean Cox, NewChannels, ICID and, except with respect to an MSO's obligations under Section 4.02 hereof, any Person who is a transferee of any of the foregoing Persons in accordance with the terms of this Agreement.

"NewChannels" is as defined in the preamble to this Agreement.

"Option Agreement" shall mean the Option Agreement, dated as of August 31, 1989, between CEN and Hendricks, which agreement has been assumed by the Company by operation of law.

"Parent" shall mean with respect to any Person, any other Person that owns directly or indirectly through one or more Subsidiaries, more than fifty percent (50%) of the voting or beneficial interest in such Person.

"Permitted Pledge" shall mean (i) with respect to each MSO, the pledge and security interest in its Shares granted by such MSO pursuant to a Pledge Agreement and (ii) any pledge by Hendricks of his Shares permitted under the Option Agreement.

"Person" shall mean any natural person or any Entity.

"Pledge Agreement" shall mean, with respect to each of the MSOs, the Shareholder Stock Pledge Agreement entered into by each of such MSOs and The Toronto-Dominion Bank, Crestar Bank, and The Toronto-Dominion Bank Trust Company, dated as of September 20, 1991. "Pledge Agreements" shall mean, collectively, the Pledge Agreements entered into by all of the MSOs.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Shares" shall mean any and all shares of Capital Stock and any and all other equity securities or Company Convertible Securities of the Company which any Stockholder or any Affiliate thereof now holds or has the right to acquire or which any Stockholder or any Affiliate thereof hereafter acquires or has the right to acquire, irrespective of the manner of such acquisition, including, without limitation, any Capital Stock, equity securities or Company Convertible Securities of the Company (whether issued by the Company or otherwise) acquired by reason of any split-up, recapitalization, preemptive rights, stock dividend, combination, conversion or exchange of shares of Capital Stock or other equity securities or Company Convertible Securities of the Company, or acquired by reason of any purchases by, or transfer or issuance to, any such Stockholder or any Affiliate thereof.

"Stockholder" is as defined in the preamble to this Agreement.

"Subscriber" shall mean each customer of a Cable System that is carrying The Discovery Channel if such customer receives from such Cable System a level or tier of service which exhibits The Discovery Channel without interruption or deletion (except as consented to by the Company).

"Subsidiary" shall mean, with respect to any Person, any corporation, partnership, joint venture, association, or other business entity, whether now existing or hereafter organized or acquired, (i) in the case of a corporation, in which such Person, directly or indirectly, through one or more Subsidiaries, holds more than fifty percent (50%) of the total voting power of the capital stock entitled (without regard to the occurrence of any contingency) to vote or (ii) in the case of a partnership, joint venture, association or other business entity, in which such Person, directly or indirectly, through one or more Subsidiaries, has the power to direct or cause the direction of the management and policies of such entity by contract or otherwise.

"TCT" shall mean Tele-Communications, Inc.

"TCID" is as defined in the preamble to this Agreement.

"The Discovery Channel" shall mean the basic programming service consisting primarily of documentary, science and nature programming produced by the Company for carriage on cable television systems.

"*Transfer*" shall mean a sale, assignment, transfer, pledge, hypothecation, grant of security interest, or other disposition, whether voluntary or by operation of law, other than a Permitted Pledge or a transfer pursuant to the exercise by the Agent or the Banks of a remedy under a Pledge Agreement.

"*UAE*" shall mean United Artists Entertainment Company.

"*United*" is as defined in the preamble to this Agreement.

"*Wholly-owned and Managed Subsidiary*" shall mean with respect to any Person, an Entity (i) in which such Person owns, directly or indirectly, through one or more wholly-owned subsidiaries, all the issued and outstanding equity securities or other ownership interest and (ii) in which such Person, directly or indirectly, has the power to direct or cause the direction of the management and policies of such Entity by contract or otherwise.

ARTICLE II MANAGEMENT AND VOTING RIGHTS

2.01 *Management of the Company.* The Company shall be managed by the Stockholders pursuant to the provisions of the General Corporation Law of the State of Delaware, and specifically Section 351 thereof.

2.02 *Voting Rights.* Each Stockholder shall be entitled to one (1) vote (or fraction thereof) for each share of the Capital Stock (or fraction thereof) owned by such Stockholder.

2.03 *Exclusive Agreement.* Except as expressly authorized by this Agreement and as contemplated by the Pledge Agreements, none of the parties hereto shall enter into a voting trust or voting agreement with any other Person, give a proxy to any such Person, or otherwise agree with any such Person to restrict or limit the power to vote its Shares. Subject to Section 10.14, this Section shall not be deemed to preclude any Stockholder or any of such Stockholder's officers or agents from freely discussing at any time affairs of the Company with any other Person and disclosing to such Person the position of such Stockholder with respect to any issue concerning the Company, provided that such Stockholder does not enter into a binding agreement concerning its voting with respect to such affairs or issues.

ARTICLE III PROVISIONS GOVERNING OPERATIONS OF THE COMPANY

3.01 *Super-Majority Provisions.* Notwithstanding any other provision contained in this Agreement or in the Company's Certificate of Incorporation or By-Laws, none of the following actions may be taken by or on behalf of the Company without the affirmative vote or written consent of the holders of eighty percent (80%) or more of the issued and outstanding shares of the Company entitled to vote thereon:

(a) Any fundamental change in the business of the Company and its Subsidiaries from the business of the Company and such Subsidiaries as presently conducted;

(b) Any transaction except as provided in Section 3.02(f) entered into subsequent to the date hereof between the Company or any of its Subsidiaries and a Stockholder or an Affiliate thereof, including, without limitation, the amendment of any currently outstanding agreement between the Company or any of its Subsidiaries and a Stockholder or an Affiliate thereof, (and, if such Stockholder is an individual, any individual who is a member of such Stockholder's Immediate Family ("Immediate Family" shall mean the spouse, any sibling by birth or adoption, or any lineal ascendants and descendants of such Stockholder, spouse, or sibling by birth or adoption)), other than an Affiliation Agreement with any of the MSOs or an Affiliate thereof as long as the Affiliation Agreement of each MSO or its Affiliate is substantially identical (except for differences in the effective rates charged to each MSO or its Affiliate provided such differences are based upon the number of Subscribers of such MSO and its Affiliates) to the Affiliation Agreement of each other MSO or its Affiliate;

(c) (i) the election or the removal (other than for cause) of the Chairman and Chief Executive Officer of the Company or (ii) the election or the removal (other than for cause) of the chief operating officer of the Company or of any operating division or Subsidiary thereof, provided that if at the time of such election or removal of any such chief operating officer, Hendricks is the Chairman and Chief Executive Officer and a holder of Capital Stock, such election or removal of any such chief operating officer shall not be effective unless Hendricks shall have voted in favor of such election or removal (other than for cause) of any such chief operating officer;

(d) Any merger, reorganization, consolidation, or dissolution of the Company or any of its Subsidiaries, or any sale of any assets of the Company or any of its Subsidiaries outside of the ordinary course of business;

(e) the incurrence of Indebtedness by or on behalf of the Company or any of its Subsidiaries if (i) such Indebtedness, together with all other Indebtedness of the Company and its Consolidated Group, would exceed four (4) times the Cash Flow of the Company and its Consolidated Group for the last four (4) consecutive calendar quarters (the "Annualized Cash Flow") or (ii) the Debt Service for the next twelve (12) calendar months related to such Indebtedness, together with the Debt Service for the next twelve (12) calendar months for all other Indebtedness of the Company and its Consolidated Group, would exceed sixty-six percent (66%) of the Annualized Cash Flow of the Company and its Consolidated Group;

(f) the authorization, issuance (other than the issuance to the Company of any equity securities of any entity if subsequent to such issuance, such entity would be a wholly-owned Subsidiary of the Company or the issuance of new certificates evidencing Shares which have been transferred in accordance with Section 6.01(a) or certificates issued in replacement of certificates which have been lost or stolen as provided by the Company's By-Laws), reclassification or recombination of any equity security of the Company or its Subsidiaries, including, without limitation, its Capital Stock and any Convertible Securities, including, without limitation, the award, grant, or issuance (except as permitted aforesaid) of any such securities to any employee of the Company or any Subsidiary thereof; or the repurchase or reacquisition of any of the foregoing by the Company from any Stockholder, other than a repurchase of Shares from Hendricks pursuant to the Option Agreement;

(g) any offering of any security of the Company or any of its Subsidiaries which would constitute a "public offering" within the meaning of the Securities Act;

(h) any amendment to the Certificate of Incorporation or the By-Laws of the Company or any of its Subsidiaries;

(i) any formulation or substantial change in the service distribution policy and practice of the Company or any of its Subsidiaries other than the imposition of, or increase or change in, any subscriber license fee pursuant to Section 3.02(b);

(j) the adoption of each Annual Business Plan; provided, however, that if such eighty percent (80%) vote shall not have been obtained by the earlier of (i) sixty (60) days after the initial presentation of such Annual Business Plan for a vote of the Stockholders or (ii) February 1 of the fiscal year of the Company to which such proposed Annual Business Plan relates, then, the Annual Business Plan for such fiscal year shall be set at the revenue and expense levels for the previous fiscal year, adjusted to take into account (i) the operation of escalation or de-escalation provisions in contracts, agreements and commitments entered into by the Company and its Subsidiaries in accordance with this Agreement and (ii) the anticipated incurrence of costs during such fiscal year for any legal fees or disbursements relating to any civil or criminal lawsuit, governmental inquiry, or administrative or other proceedings approved in any previously approved Annual Business Plan;

(k) any material deviation from the Annual Business Plan of the Company for the applicable fiscal year in addition to those described in Section 3.01(n);

(l) any action that would or could cause the Company to jeopardize or lose its status as a close corporation as defined in Section 342 of the General Corporation Law of the State of Delaware;

(m) the institution by the Company or any of its Subsidiaries of any litigation, including by counter-claim or cross-claim, having an aggregate amount in dispute in excess of Fifty Thousand Dollars (\$50,000) or any request for injunctive or other equitable relief; provided, however, that if such litigation is of such a nature that its institution or subsequent determination against the Company or its Subsidiaries could have a materially adverse effect on the Company or any of the Stockholders, a vote of the Stockholders under this Section 3.01 shall be required regardless of the amount in dispute or type of relief requested;

(n) the entering into by the Company or any of its Subsidiaries of any contract or transaction or series of related contracts or transactions in excess of \$1,000,000 unless (i) approval thereof shall already be given in connection with the adoption of the Annual Business Plan for the applicable fiscal year or (ii) in the case of programming, the cost of such contract or transaction or series of related contracts or transactions is within the budget for programming in the

Annual Business Plan for the applicable fiscal year:

- (o) an amendment to the Option Agreement by and between the Company and Hendricks dated as of August 31, 1989 or any repurchase of Shares thereunder by the Company at the Company's option;
- (p) the incurrence by the Company or any of its Subsidiaries of any Indebtedness from any of the MSOs; or
- (q) any modification to or cancellation of the Company's advertising rebate plan with respect to the Discovery Channel.

Notwithstanding any provision to the contrary in this Section 3.01, upon the commencement of and during the continuance of a Default Period, the provisions of this Section 3.01 shall be deemed to be suspended and of no force and effect, and except for those actions for which a higher percentage vote is required pursuant to the Company's Certificate of Incorporation or By-Laws or by the General Corporation Law of the State of Delaware, all corporate actions, including those actions specified in this Section 3.01, shall be taken by the affirmative vote or written consent of the holders of a majority of the issued and outstanding shares of the Company entitled to vote thereon; *provided, however*, that upon the termination of such Default Period, the provisions of this Section 3.01 shall be immediately and automatically reinstated without the requirement of any action on the part of any Person and shall thereafter be in full force and effect.

3.02 Majority Provisions. Except as provided in Section 3.01 and except for those actions of the Company for which a higher percentage vote is required pursuant to the Company's Certificate of Incorporation or By-Laws or as may be required by the General Corporation Law of the State of Delaware, all actions of the Company shall be taken by the affirmative vote or written consent of the holders of a majority of the issued and outstanding shares of the Company entitled to vote thereon, including, without limitation, the actions set forth below:

- (a) except as set forth in Section 3.01, any transaction, contract or understanding with or commitment to a Person outside the ordinary course of business of the Company and its Subsidiaries;
- (b) the imposition of, or increase or change in, any subscriber license fee; provided, however, that any such imposition, increase, or change shall be in accordance with the provisions of Section 4.02(a)(2) of this Agreement and that the subscriber license fees charged to each MSO and its Affiliates shall be consistent with the rates which could be charged to an MSO and its Affiliates pursuant to an Affiliation Agreement in accordance with Section 3.01(b);
- (c) the declaration or payment of dividends or other distributions by the Company or any of its Subsidiaries (other than the declaration or payment of dividends or distributions from a wholly-owned Subsidiary of the Company to the Company);
- (d) (i) the removal for cause of the Chairman and Chief Executive Officer of the Company or (ii) the removal for cause of the chief operating officer of the Company or of any operating division or Subsidiary thereof;
- (e) except as specified in Sections 3.01 or 3.02(d), the election or removal of any of the officers of the Company or any of its Subsidiaries, other than such officers which the Stockholders, by written consent of holders of eighty percent (80%) of the issued and outstanding shares of the Company entitled to vote, have authorized the Chairman and Chief Executive Officer of the Company to appoint; and
- (f) any amendment to or extension of the Employment Agreement between Hendricks and the Company (as successor to CEN) dated August 31, 1989 and the entering into any new employment agreement between Hendricks and the Company.

ARTICLE IV COMMITMENTS OF THE PARTIES TO THE DISCOVERY CHANNEL

4.01 Ownership of Similar Programming Services. No Stockholder or its Parent or any of such Stockholder's Wholly-owned and Managed Subsidiaries shall start, or acquire a majority of the voting equity interest in, another basic programming service carried by or to be carried by cable systems in the United States consisting primarily of documentary, science and nature programming; provided, however, that nothing herein contained shall require any Stockholder, its Parent or any of its Wholly-owned and Managed Subsidiaries to dispose of an investment in any such service if such Stockholder, its Parent or any of its Wholly-owned and Managed Subsidiaries does not own a majority of the voting equity interest in such service and

(a) Subject to the conditions set forth in paragraphs (1) through (3) of this Section 4.02(a), (i) each MSO hereby agrees that until October 31, 1998, it will cause its Parent to carry The Discovery Channel on cable television systems of such Parent and such Parent's Affiliates at a Subscriber level at least equal to the Subscriber level as of November 1, 1988 (adjusted in accordance with Section 4.02(c)) and (ii) United hereby agrees that until the earlier to occur of the effectiveness under controlling law of the Merger and October 31, 1998, it will cause U/AE to carry The Discovery Channel on cable television systems of U/AE and its Affiliates at a Subscriber level at least equal to the Subscriber level as of November 1, 1988 (adjusted in accordance with Section 4.02(c)); provided that:

(1) the overall quality of programming exhibited on The Discovery Channel during the remaining portion of such period shall be of a quality at least comparable to that currently exhibited;

(2) the dollar differential between (x) the amount of the average license fee per Subscriber per month for an MSO or an Affiliate thereof or United or its Affiliates and (y) the license fee per month payable by The Discovery Channel affiliates not on free subscription contracts may be increased, but shall not be decreased from the current levels; provided, however, that subject to Section 3.01(b), appropriate adjustments to the average license fees per Subscriber for an MSO or its Affiliates or United or its Affiliates may be made on account of an increase or decrease in the number of Subscribers served by any MSO and its Affiliates or United and its Affiliates; and

(3) the amount of such dollar differential of each MSO and its Affiliates or United and its Affiliates relative to the dollar differential of each other MSO and its Affiliates or United and its Affiliates shall be continued except subject to Section 3.01(b). For any appropriate adjustment on account of an increase or decrease in the number of Subscribers served by any such MSO and its Affiliates or United and its Affiliates.

(b) For purposes of Section 4.02(a)(i), (i) prior to the effectiveness under controlling law of the Merger, neither United nor U/AE shall be deemed to be Affiliates of TCID and (ii) concurrent with the effectiveness under controlling law of the Merger, United and U/AE shall be deemed Affiliates of TCID for purposes of Section 4.02(a)(i), and the Subscriber obligation of TCID set forth in Section 4.02(a)(i) shall be increased by United's Subscriber commitment set forth in Section 4.02(a)(ii).

(c) For purposes of this Section 4.02, the Subscriber commitment of each MSO and United as of November 1, 1988, shall be adjusted as follows:

(i) For the period from November 1, 1988 until the date hereof, the Subscriber commitment as of November 1, 1988 of each MSO and United shall be increased on account of the acquisition by any such MSO or United or their respective Affiliates of a cable television system which carried The Discovery Channel (a "Subject System") at the time of acquisition by a number equal to the number of Subscribers to such Subject System as of the date of such acquisition or decreased on account of the sale or transfer by any such MSO or United or their respective Affiliates to a Person which is not an Affiliate of such MSO or United of a Subject System by a number equal to the number of Subscribers to such Subject System as of October 31, 1988 (if such Subject System was owned by such MSO or United or its respective Affiliate as of that date) or the number of Subscribers to such Subject System as of the date of its acquisition (if such Subject System was acquired by such MSO or United or their respective Affiliates after November 1, 1988); *provided, however*, that notwithstanding the foregoing, the Subscriber commitment of TCID shall be reduced in accordance with the foregoing formula upon the transfer by TCI or an Affiliate thereof of Subject Systems to Liberty Media Corporation pursuant to the Consent dated as of December 31, 1990 by and among Cox Communications, Inc., News Channel's Corp., TCI Development Corporation, United Cable Television Investments, Ltd., CEN, Hendricks, TCI Liberty, Inc. and Liberty Cable, Inc. (the "Consent") and following such transfer the Subscriber commitment with respect to such transferred Subject Systems shall be an obligation of Liberty Media Corporation in accordance with the terms of the Consent. Each of the MSOs and United hereby agree that within ninety-six (96) days after the date hereof it shall supply the Company with a reasonably acceptable calculation of the number of Subscribers for which such MSO or United, as the case may be, is obligated pursuant to this Section 4.02 as of November 30, 1991 (the "1991 Subscriber Number").

obligation under Section 4.02(a), the 1991 Subscriber Number relating to each MSO and United shall be increased in the event of the acquisition by any such MSO or United or their respective Affiliates of a Subject System by a number equal to the number of Subscribers to such Subject System as of the date of the acquisition or decreased in the event of the sale or transfer by any such MSO or United or their respective Affiliates to a Person which is not an Affiliate of such MSO or United of a Subject System by a number equal to the number of Subscribers to such Subject System as of October 31, 1988 (if such Subject System was owned by such MSO or United or its respective Affiliates as of that date) or the number of Subscribers to such Subject System as of the date of its acquisition (if such Subject System was acquired by such MSO or United or its respective Affiliates after November 1, 1988). Each MSO and United shall report to the Company and each other MSO within thirty (30) days after the closing of any acquisition or disposition of a Subject System subsequent to the date hereof the adjustment, if any, required by the application of this Section 4.02(c)(ii) as a result of such acquisition or disposition.

(d) For purposes of this Section 4.02, up until such time as an MSO or an Affiliate thereof or United or an Affiliate thereof executes with the Company an Affiliation Agreement, the number of Subscribers attributable to such MSO and its Affiliates or United and its Affiliates shall be calculated in accordance with the terms hereof.

ARTICLE V ADDITIONAL CAPITAL

5.01 *Capital Contributions.* Unless all the Stockholders consent in writing thereto, the Stockholders shall not be required to make additional capital contributions to the Company.

ARTICLE VI RESTRICTIONS ON TRANSFERS

6.01 Restrictions on Transfer; Permitted Transfers.

(a) There shall be no Transfer by any Stockholder of any Shares in any manner or by any means whatsoever except for the following Transfers which shall be permitted provided that the transferor complies with all of the applicable requirements in this Article VI:

(i) any Transfer by a Stockholder of Shares to an Affiliate thereof or in the case of a Stockholder who is a natural person, to a member of his or her Immediate Family or to his or her estate;

(ii) any Transfer by Hendricks or his estate of his Shares to the Company on the terms and conditions set forth in the option Agreement; and

(iii) any Transfer of Shares pursuant to a Third Party Offer in compliance with the provisions of Section 6.02.

6.02 Right of First Refusal.

(a) Prior to any proposed Transfer of Shares (other than a Transfer described in subparagraph (i) or (ii) of Section 6.01(a) or pursuant to Section 6.07), the Stockholder proposing to transfer such Shares (the "Transferor") shall be required to obtain a bona fide, non-collusive, binding arm's-length written offer, subject only to customary conditions, with respect to the proposed Transfer (a "Third Party Offer") from a third party that is not an Affiliate of such Transferor (the "Third Party") which the Transferor desires to accept. The Third Party Offer must not be subject to unstated conditions or contingencies or be part of a larger transaction such that the price for the Shares proposed to be transferred in the Third Party Offer (the "Offered Shares") does not accurately reflect the Fair Market Value of such Offered Shares, and the Third Party Offer shall contain a description of all of the consideration, material terms and conditions for the proposed Transfer. If the Transferor is still a party to a Pledge Agreement, a Third Party Offer shall also contain a covenant by the Third Party to pledge to the Banks pursuant to an agreement having substantially the same terms as the Transferor's Pledge Agreement the same percentage of the Offered Shares as the Transferor has pledged to the Banks pursuant to its Pledge Agreement. The Transferor shall send a copy of the Third Party Offer which shall include the identity of the Third Party to each of the MSOs (the "Offerees"), together with a written offer to sell the Offered Shares to the Offerees at the Third Party Price. For purposes hereof, the "Third Party Price" means the amount of consideration set forth in the Third Party Offer, which, if all or part of such consideration is in cash,

shall be that amount in cash, and as to any consideration in the Third Party Offer which is not in cash, shall be deemed to be an amount equal to the Fair Market Value of such consideration as determined pursuant to Section 6.03.

(b) Any proposed Transfer of Offered Shares under Section 6.02(a) by either Cox or NewChannels (other than transfers to Affiliates under Section 6.01(a)(1)) shall be subject to an initial right of first refusal by whichever of Cox and NewChannels is not the Transferor. An Offeree with a right of initial first refusal under this Section 6.02(b) shall be referred to hereunder as the "Initial Offeree" and the offering to such Initial Offeree shall be referred to as the "Initial Offering".

(c) The Initial Offeree shall initially have the right to accept the offer to sell and to purchase any portion of the Offered Shares. The Initial Offeree shall have thirty (30) days from the receipt of the written offer from the Transferor, or if later, within ten (10) days after the determination of all non-cash parts of the Third Party Price, to notify the Transferor in writing of such Initial Offeree's election to purchase all or a portion of the Offered Shares. The Transferor shall notify the Initial Offeree and each other Offeree (collectively with the Initial Offeree, the "Secondary Offerees") as to the number of Offered Shares remaining within three (3) days following the Initial Offeree's election (the "Initial Offeree Notice") and through such notice offer to sell such remaining Offered Shares to the Secondary Offerees (a "Secondary Offering"). If the Initial Offeree has not elected to purchase all the Offered Shares within such thirty (30) day period (or ten (10) day period, if applicable), each of the Secondary Offerees shall have fifteen (15) days from the later of the date of the Initial Offeree Notice or the date of the determination of all non-cash parts of the Third Party Price to give written notice to the Transferor of their respective elections to purchase the remaining Offered Shares. In the case of a Secondary Offering, the Transferor shall notify each Secondary Offeree as to the number of Offered Shares remaining within three (3) days following such election (the "Secondary Offeree Notice").

If there is no Initial Offering, the foregoing Section 6.02(b) and the first paragraph of this Section 6.02(c) shall not apply and the Transferor through such notice shall offer the Offered Shares to all of the Offerees (a "Primary Offering") and each of the Offerees shall have thirty (30) days from the receipt of written notice from the Transferor, or if later within ten (10) days after determination of all non-cash parts of the Third Party Price to give written notice to the Transferor of their respective elections to purchase the Offered Shares. In the case of a Primary Offering, the Transferor shall notify each Offeree as to the number of Offered Shares remaining within three (3) days following such election (the "Offeree Notice").

If the Offerees in a Primary Offering or the Secondary Offerees in a Secondary Offering have not elected to purchase all the Offered Shares within the applicable election period, each Offeree or Secondary Offeree, as applicable, shall have an additional seven (7) days from receipt of the Offeree Notice or the Secondary Offeree Notice, as applicable, to elect to purchase the remaining Offered Shares. If the offer to sell the Offered Shares in a Primary Offering or a Secondary Offering is oversubscribed at the expiration of any election period, such Offered Shares and the Third Party Price in respect thereof shall be allocated on a pro rata basis among the Offerees or the Secondary Offerees, as applicable, which have elected to purchase Offered Shares so that such electing Offeree or electing Secondary Offeree, as applicable, shall receive a portion of the Offered Shares which bears the same ratio to the Offered Shares as the Shares of each electing Offeree or electing Secondary Offeree, as applicable, bear to the total number of Shares owned collectively by all such electing Offerees or electing Secondary Offerees, as applicable, or as may otherwise be agreed among such electing Offerees or electing Secondary Offerees, as applicable, provided that no Offeree or Secondary Offeree which elects to purchase Offered Shares shall be required to purchase more Offered Shares than the amount set forth in its election. After the expiration of the thirty (30) day period or ten (10) day period, as applicable, during which the Initial Offeree has the initial right to purchase the Offered Shares, such Initial Offeree shall have the same rights under this Section 6.02(c) as any other Offeree.

(d) Subject to Section 6.02(e) and the second paragraph of this Section 6.02(d), the closing of the sale to the Offerees pursuant to a Primary Offering, an Initial Offering or a Secondary Offering shall be held at the offices of the Company on the tenth day after the date of the last notice to the Transferor of an Offeree's election to purchase the Offered Shares (the "Scheduled Closing Date"). Contemporaneously with such closing, the Transferor shall deliver a certificate or certificates representing the Offered Shares, properly endorsed for transfer and with all necessary transfer or documentary stamps, if any, affixed and free and clear of all liens, restrictions or encumbrances against receipt from each purchasing Offeree of the Third Party Price or allocable portion thereof in cash or by certified or bank cashier's check or wire or interbank transfer of funds; provided, however, that if the Transferor is still a party to a Pledge Agreement, each purchasing Offeree shall be required to pledge to the Banks a percentage of the Offered Shares purchased by such purchasing Offeree which is equal to the percentage of Offered Shares pledged by the Transferor under its Pledge Agreement at the time of the Transfer hereunder.

The obligation of a Transferor and a purchasing Offeree to proceed with the closing on the Scheduled Closing Date and the obligation of a Transferor and a Third Party to consummate a Transfer prior to the Expiration Date (as hereinafter

defined) shall be conditioned upon and the Scheduled Closing Date or the Expiration Date, as applicable, shall be extended to a date which is ten (10) days following the last to occur of: (i) the expiration (or earlier termination) of any applicable waiting period and, if extended, the extended waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (ii) the receipt of all material governmental and regulatory consents, approvals or waivers that may be required in connection with the purchase and sale of the Offered Shares; provided, however, that neither the Transferor nor the purchasing Offerees (unless in material breach of their obligations hereunder) shall be obligated to proceed with the closing of the purchase and sale of the Offered Shares in the event that such conditions have not been satisfied on or before the 90th day following the original Scheduled Closing Date. The Transferor and the purchasing Offerees shall use all reasonable efforts to cooperate with each other or with a third party to promptly make all filings, give all notices and secure all consents, approvals and waivers that may be required in connection with the purchase and sale of the Offered Shares.

(c) Notwithstanding the provisions of Section 6.02(a) through (d), elections to purchase made by the Offerees shall not be binding on the Transferor if (x) the Offerees have not elected by the conclusion of the offering period to purchase all of the Offered Shares or (y) the Offerees have not closed on the purchase of all the Offered Shares by the Scheduled Closing Date in accordance with the terms hereof. In such event, no sales pursuant to such elections shall be required to be made by the Transferor and the Transferor shall have the right for a period of ninety (90) days after the expiration of the last election period in Section 6.02(c) or, if later, the last date for the closing of such purchase under Section 6.02(d) (such later date being the "Expiration Date"), as appropriate, to sell all but not less than all of the Offered Shares, but only to the Third Party for a price (including any non-cash consideration in the Third Party Offer) and on terms no more favorable to the Third Party than the Third Party Price and the terms of the Third Party Offer. The Third Party shall prior to any Transfer execute and deliver to the Company the documents required by Section 6.04. If such Offered Shares are not sold prior to the Expiration Date, all rights to sell such Offered Shares pursuant to such Third Party Offer, without making another offer to the Offerees pursuant to this Section 6.02, shall terminate and the provisions of this Article VI shall continue to apply to any proposed Transfer in the future.

6.03 Appraisal Procedure.

(a) The Fair Market Value of any non-cash consideration included in a Third Party Offer shall be determined as follows:

(i) *Initial Offering.* In the event of an Initial Offering, the Fair Market Value of any non-cash consideration shall be determined by mutual agreement between the Transferor and the Initial Offeree or, in the event such Fair Market Value has not been mutually agreed upon by the tenth (10th) day following the date of the Transferor's notice, by appraisal pursuant to paragraph (b) hereof.

(ii) *Primary or Secondary Offering.* In the event of a Primary Offering or a Secondary Offering, the Fair Market Value of any non-cash consideration contained in the Third Party Offer shall be determined by agreement between the Transferor and those Offerees or Secondary Offerees, as the case may be, holding seventy-five percent (75%) or more of the issued and outstanding shares of Capital Stock owned by the Offerees or Secondary Offerees, as the case may be (the "Requisite Holders") or, in the event the Transferor and the Requisite Holders have not agreed upon such Fair Market Value by the tenth (10th) day following the date of the Transferor's notice or Initial Offeree Notice, as the case may be, such Fair Market Value shall be determined by appraisal pursuant to paragraph (b) hereof.

(iii) *Assumption of Determination of Fair Market Value.* In the event there has been an Initial Offering pursuant to which the Initial Offeree has elected to purchase any Offered Shares, then the Secondary Offerees, by written action of the holders of seventy-five percent (75%) or more of the issued and outstanding shares of Capital Stock owned by the Secondary Offerees (but excluding, for this purpose only, the Shares owned by any Initial Offeree), shall be entitled to adopt the determination of Fair Market Value made by agreement with the Transferor or by appraisal, and to purchase any remaining Offered Shares at the Third Party Price determined in connection with any Initial Offering.

(b) If the Transferor and the Initial Offeree, the Offerees or the Secondary Offerees, as the case may be, have failed to agree upon the Fair Market Value of any non-cash consideration as provided above, such Fair Market Value shall be determined by appraisal pursuant to this Section 6.03(b). Within ten (10) days after the determination for the need for an appraisal, (i) in a Primary Offering or a Secondary Offering, the Offerees (by a vote of the Offerees holding a majority of the Capital Stock held by all the Offerees), or (ii) in an Initial Offering, the Initial Offeree, as applicable, shall designate one appraiser experienced in such appraisals, and the Transferor shall designate one such appraiser. Within thirty (30) days after their selection, the two appraisers so selected shall each determine the Fair