

EXHIBIT A

SUPPORT AND GUARANTY AGREEMENT

among

C-TEC CORPORATION,

MEGACABLE, S.A. DE C.V.

and

THE PRIVATE SHAREHOLDERS NAMED HEREIN

Dated as of January 19, 1995

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SUPPORT AND GUARANTY AGREEMENT, dated as of January 19, 1995, among C-TEC Corporation, a corporation organized under the laws of Pennsylvania (together with its successors and permitted assigns, the "Guarantor"), Megacable, S.A. de C.V., a sociedad anónima de capital variable organized under the laws of the United Mexican States (together with its successors and permitted assigns, the "Company"), and each of the Private Shareholders listed on Schedule 3.4 of the Subscription Agreement, dated as of January 19, 1995 (as amended or modified from time to time, the "Subscription Agreement"), between the Company and C-TEC International, Inc., a corporation organized under the laws of Delaware (together with its successors and permitted assigns, the "Investor").

RECITALS

A. The Guarantor directly or indirectly owns all of the issued and outstanding capital stock of the Investor.

B. In connection with the closing under the Subscription Agreement, the Investor and the Private Shareholders propose to enter into a Shareholder Agreement (as amended or modified from time to time, the "Shareholder Agreement"), setting forth their agreement as to the management of the Company, transfers of capital stock of the Company and certain other matters relating to the Company.

NOW, THEREFORE, in order to induce the Company to enter into the Subscription Agreement and the Company and the Private Shareholders to enter into the Shareholder Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

1.1. **Definitions.** Capitalized terms used in this Agreement without definition shall have the respective meanings given them in the Subscription Agreement or the Shareholder Agreement. In addition, the following terms, as used herein, shall have the following meanings (each such meaning to be equally applicable to both the singular and plural forms of the respective terms so defined):

Affiliate: with respect to any Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise, and shall be deemed to exist upon the ownership 20% or more of any class of voting securities or equity interest in such Person, provided that for purposes of Section 2.4 MFS Communications Company, Inc., a corporation organized under the laws of Delaware, shall not be an "Affiliate" of the Guarantor.

Claimant: as defined in Section 4.4(b).

Demand: as defined in Section 4.4(b).

Guaranteed Obligations: as defined in Section 3.1.

Guarantor: as defined in the Heading.

Respondent: as defined in Section 4.4(b).

ARTICLE II

COVENANTS

2.1. **Restrictions on Transfer.** As long as the Investor or any Eligible Subsidiary of the Investor owns or holds any shares of Capital Stock, the Guarantor shall not permit the Investor to cease being an indirectly wholly-owned subsidiary of the Guarantor.

2.2. **Continuing Ownership of Investor; Eligible Subsidiaries.** As long as the Investor or any Eligible Subsidiary of the Investor owns or holds any shares of Capital Stock, the Guarantor shall take all necessary action (i) to prevent the Investor, or any subsidiary of the Guarantor through which it owns a direct or indirect interest in the Investor, from issuing or selling to any Person (other than the Guarantor) any shares of its capital stock, or securities or other instruments convertible into, or

exchangeable or exercisable for, shares of such capital stock, or rights to purchase such capital stock or any other rights, voting or otherwise, applicable thereto, and (ii) to prevent such Eligible Subsidiary from issuing or selling to any Person any shares of the Eligible Subsidiary's capital stock, or securities or other instruments convertible into, or exchangeable or exercisable for, shares of such capital stock, or rights to purchase such capital stock or any other rights, voting or otherwise, applicable thereto, if, immediately after giving effect to such sale or issuance (and assuming the immediate conversion, exchange or exercise of any securities or instruments so issued), the Eligible Subsidiary in question would cease to be an Eligible Subsidiary with respect to the Investor.

2.3. Restrictions on Acquiring Shares. The Guarantor agrees that it will not, and will not permit any of its Affiliates, directly or indirectly through nominees or otherwise, to acquire record or beneficial ownership of any Series B Shares or Other Shares pursuant to open-market purchases, except as provided in Section 6.3 of the Shareholder Agreement.

2.4. Exclusivity. (a) The Guarantor shall not, and shall cause its Affiliates not to, compete in any manner with the Company or any of its Subsidiaries by directly or indirectly owning, managing, operating, controlling or being a consultant to, engaging, participating or having any interest in, or being connected in any manner with, the ownership, management, operation or control of any Cable Business in Mexico, except through its investment in the Investor (i) at any time while the Investor or any of its Permitted Transferees owns, or has any interest in, any Capital Stock; and (ii) for a period of two years following the date on which the Investor and its Permitted Transferees cease to own, or have any interest in, any Capital Stock.

(b) Notwithstanding anything to the contrary in this Section 2.4, neither the Guarantor nor any of its Affiliates shall be prohibited from engaging, participating or having an interest in, or being connected with, any business opportunity if the Guarantor shall have made such business opportunity available to the Company by written notice describing the business opportunity in reasonable detail and the Company shall have notified the Guarantor in writing within 30 days of receipt of such notice that it does not wish to pursue such business opportunity or the Company, after providing such notice, shall fail diligently to pursue such opportunity.

2.5. Conflicting Agreements. (a) Neither the Guarantor nor any of its Affiliates shall enter into a Conflicting Agreement unless the Company shall have been given at least 20 Business Days' advance written notice of the proposed

Conflicting Agreement. Such notice shall include a draft of the proposed Conflicting Agreement or, if no such draft is then available, a summary of proposed terms.

(b) Within five Business Days of receipt of a notice pursuant to Section 2.5(a), the Guarantor and the Company shall meet to discuss the proposed Conflicting Agreement. At such meeting, the party proposing to enter into the Conflicting Agreement shall deliver an explanation, complete in all material respects, of the manner in which the proposed Conflicting Agreement could, following its execution, affect the ability of such party, directly or through its Affiliates, to (i) give, or consent to the giving of, consent to any matter requiring the Investor's approval under Section 2.1 of the Shareholder Agreement, or (ii) approve, or consent to the giving of approval of, any matter requiring a Qualified Vote under Section 3.2 of the Shareholder Agreement.

(c) If following such discussion, the Company shall object to the proposed Conflicting Agreement, the Guarantor shall seek, or cause the party proposing to enter into such Conflicting Agreement to seek, to negotiate appropriate modifications thereto in good faith, with a view to curing the objections raised by the Company. Such party shall keep the Company reasonably informed of the progress of such negotiations and, not less than five Business Days prior to the date on which the proposed Conflicting Agreement is to be entered into, shall meet with the Company to review the results of such negotiations. After the fifth Business Day after such meeting, the party in question shall be free to enter into the proposed Conflicting Agreement, substantially in the form presented to the Company pursuant to this Section 2.5, irrespective of the outcome of the discussions and negotiations contemplated by this Section 2.5.

ARTICLE III

GUARANTY

3.1. Guaranty of Payment and Performance. The Guarantor hereby unconditionally and irrevocably guarantees to the Company and each Private Shareholder (i) the due and punctual payment by the Investor of all amounts payable by the Investor on or before the Closing Date pursuant to any Transaction Document to which the Investor is a party, and (ii) the due and punctual performance by the Investor of its obligations under any Transaction Document to which the Investor is a party and which are required to be performed by the Investor on or before the Closing Date (such

amounts payable by and obligations of the Investor are collectively referred to herein as the "Guaranteed Obligations"). If the Investor shall fail or be unable to pay such amounts as and when the same shall become due and payable or shall fail to perform such obligations pursuant to the terms and conditions of any Transaction Document, the Guarantor shall be obligated to pay or cause to be paid such amounts to the Private Shareholders and the Company, or perform or cause to be performed such obligations of the Investor, in accordance with the terms of such Transaction Document. This guaranty is a guaranty of payment, performance and compliance and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Investor or upon any other event or condition whatsoever.

3.2. Guarantor's Obligations. The obligations of the Guarantor under this Agreement shall be subject to any counterclaim, set-off or defense available to the Investor against any claim the Company may have against the Investor under the Transaction Documents, provided that the obligations of the Guarantor under this Agreement shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by:

(1) any failure, omission or delay on the part of the Investor to conform or comply with any term of any of the Transaction Documents;

(2) any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, conservatorship, custodianship, liquidation, marshalling of assets and liabilities or similar proceedings with respect to the Investor, the Guarantor or any other Person or any of their respective properties or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(3) any merger or consolidation of the Investor or the Guarantor into or with any other Person, or any sale, lease or transfer of any of the assets of the Investor or the Guarantor to any other Person;

(4) any change in the ownership of any shares of capital stock of the Guarantor, or any change in the corporate relationship between the Investor and the Guarantor, or any termination of such relationship; or

(5) any furnishing or acceptance of any security, or any release of any security, for the obligations guaranteed hereunder, or the failure of any security or the failure of any Person to perfect any interest in any collateral.

3.3. Waiver. The Guarantor unconditionally waives, to the extent permitted by applicable law, (i) notice of any of the matters referred to in Section 3.2, (ii) notice to the Guarantor of the incurrence of any of the Guaranteed Obligations or of any breach or default by the Investor with respect to any of the Guaranteed Obligations or any other notice that may be required, by statute, rule of law or otherwise, to preserve any rights of the Company or any Private Shareholder against the Guarantor, (iii) presentment to or demand of payment from the Investor or the Guarantor with respect to any Guaranteed Obligation, and (iv) any release of the Guarantor from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder.

3.4. Subrogation. Upon the payment and performance in full of the Guaranteed Obligations, the Guarantor shall be subrogated to the rights of the Company and the Private Shareholders in respect of any payment or other obligation with respect to which an amount has been payable by the Guarantor hereunder. The Guarantor shall not seek to exercise any rights of subrogation, reimbursement or indemnity arising from payments made by the Guarantor pursuant to the provisions of this Agreement until the full and complete payment or performance and discharge of the Guaranteed Obligations.

3.5. Effect of Bankruptcy Proceedings, etc. This Guaranty shall continue to be effective or be automatically reinstated, as the case may be, if at any time any payment made by any Person on account of any of the sums due the Company or the Private Shareholders pursuant to the terms of any Transaction Document is rescinded or must otherwise be restored or returned by the Company or any Private Shareholder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Investor or any other Person, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Investor or other Person or any substantial part of its property, or otherwise, all as though such payment had not been made.

ARTICLE IV

MISCELLANEOUS

4.1. Representations and Warranties of the Guarantor. The Guarantor hereby represents and warrants to the Company and the Private Shareholders as follows (and acknowledges that the Company and the Private Shareholders shall be entitled to rely on such representations and warranties).

(1) The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of Pennsylvania, and is duly qualified as a foreign corporation where required in the jurisdictions in which it operates. The Guarantor has full corporate power and authority to carry on its business and operations as presently conducted and to own and lease its properties.

(2) The Guarantor has full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Guarantor and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action of the Guarantor. This Agreement constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

(3) No consent or authorization of, or filing with, any Person is required on the part of the Guarantor in connection with the Guarantor's execution, delivery or performance of this Agreement or the consummation of the transactions contemplated on the part of the Guarantor in this Agreement.

(4) The execution, delivery and performance of this Agreement by the Guarantor will not (i) violate, conflict with or result in the breach of, or constitute a default under, (A) any provision of the certificate of incorporation or by-laws of the Guarantor, (B) any provision of any law or regulation applicable to the Guarantor, or to which any of its assets is subject, (C) any material order, judgment or award of any court, tribunal or regulatory authority applicable to the Guarantor, or to which any of its assets is subject or (D) any material agreement or instrument to which the Guarantor is a party or by which any of its assets is bound, or (ii) result in the creation of any material Lien upon any of the assets of the Guarantor.

(5) There is no action, proceeding or investigation pending or, to the knowledge of the Guarantor, threatened against the Guarantor before any court or governmental authority (i) which questions the validity of, or the obligations of the Guarantor under, this Agreement, or (ii) which seeks to impede, enjoin or invalidate any of the transactions contemplated by this Agreement.

(6) All of the shares of capital stock of the Investor are held free of any Liens by a wholly-owned subsidiary of the Guarantor and all of the shares of capital stock of such wholly-owned subsidiary are held free of any Liens by the Guarantor.

4.2. Term of Agreement. Subject to Section 3.5, this Agreement shall continue in full force and effect until such time as all of the Guaranteed Obligations shall be paid and performed in full and all of the agreements of the Guarantor hereunder have been performed in full.

4.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of law rules thereof.

4.4. Arbitration. (a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, validity or termination thereof shall be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce in effect on the date hereof, except as modified herein or by mutual agreement of the parties. The arbitration shall be held in New York, New York; provided that the arbitrators may hold hearings in such other locations as the arbitrators determine to be most convenient and efficient for all the parties under the circumstances. All arbitration proceedings shall be conducted, and all evidence shall be produced, in the English language.

(b) The arbitration shall be conducted by three arbitrators. The party initiating arbitration (the "**Claimant**") shall appoint its arbitrator in its demand (the "**Demand**"). The other party (the "**Respondent**") shall appoint its arbitrator within 20 Business Days of receipt of the Demand and shall notify the Claimant of such appointment in writing. If the Respondent fails to appoint an arbitrator within such period of 20 Business Days, the arbitrator named in the Demand shall decide the controversy as a sole arbitrator. Otherwise, the two arbitrators appointed by the parties shall appoint a third arbitrator within 20 Business Days after the Respondent has notified the Claimant of the appointment of the Respondent's arbitrator. When the arbi-

trators appointed by the Claimant and the Respondent have appointed a third arbitrator and the third arbitrator has accepted the appointment, the two arbitrators shall promptly notify the parties of the appointment of the third arbitrator.

(c) In addition to the authority conferred on the arbitration panel by the rules specified above, the arbitration panel shall have the authority to order such discovery and production of documents, including the deposition of party witnesses, and to make such orders for interim relief, including injunctive relief, as it may deem just and equitable. A request for interim measures by a party to a court shall not be deemed incompatible with, or a waiver of, this agreement to arbitrate.

(d) The foregoing agreement to arbitrate shall be specifically enforceable. Any award rendered by the arbitrators shall be in writing and shall be final and binding upon the parties, and may include an award of costs, including reasonable attorneys' fees and disbursements. Judgment upon the arbitration award rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement. The costs of the arbitration and the enforcement of the award shall be an issue determined by the arbitration panel.

(e) In order to facilitate the comprehensive resolution of related disputes, and upon request of any party to the arbitration proceeding, the arbitration tribunal may, within 90 days of its appointment, consolidate the arbitration proceeding with any other arbitration proceeding involving any of the parties hereto relating to this Agreement and to any other Transaction Document. The arbitrators shall not consolidate such arbitrations unless they determine that (i) there are issues of fact or law common to the two proceedings so that a consolidated proceeding would be more efficient than separate proceedings, and (ii) no party hereto or to such other Transaction Document would be prejudiced as a result of such consolidation through undue delay, conflict of interest or otherwise. In the event of different rulings on this question by the arbitration tribunal constituted hereunder and the tribunal constituted under any other Transaction Document, the ruling of the panel under this Agreement shall control. In the case of a consolidated proceeding, the arbitrators in that proceeding shall be named in the manner set forth in Section 8.3(b) of the Subscription Agreement, except that in any such consolidated proceeding the Company and the Private Shareholders shall be deemed to constitute one party and shall jointly appoint a single arbitrator so long as neither the Company nor the Private Shareholders will be prejudiced as a result thereof and there is no conflict of interest between the Company and the Private Shareholders.

4.5. Survival. All representations, warranties and agreements made by the Guarantor herein shall survive the execution and delivery of this Agreement.

4.6. Amendment; Assignment, etc. Neither this Agreement nor any term hereof may be amended, changed, waived, discharged or terminated orally, but only by an instrument in writing, signed by the party against which enforcement or such amendment, change, waiver, discharge or termination is sought. This Agreement shall be binding upon the respective successors and permitted assigns of the parties hereto. This Agreement shall not be assignable or otherwise transferable by a party without the prior written consent of the other parties hereto and any attempt to so assign or transfer this Agreement without such consent shall be void and of no effect.

4.7. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein shall be in writing and shall be deemed validly given upon personal delivery or one day after being sent by telecopy or overnight courier service:

(a) if to the Guarantor, to:

C-TEC Corporation
105 Carnegie Center
Princeton, New Jersey 08540
Telephone: (609) 734-3700
Facsimile: (609) 951-8632
Attn: Mr. Mark Haverkate

with a copy to the same address:

Attn: Raymond B. Ostroski, General Counsel
Telephone: (609) 734-3700
Facsimile: (609) 734-3830

(b) if to the Private Shareholders, to:

Megacable, S.A. de C.V.
Blvd. Rosales y Anatolio Ortega, Local #7
Colonia Scalley
Los Mochis, Sinaloa 81240 MEXICO

Telephone: 011-52-681-89262
Facsimile: 011-52-681-23290
Attn: Mr. Enrique Yamuni Robles

with a copy to:

Banco Nacional de México, S.A.
División Fiduciaria
Grupo Financiero Banamex Accival
Paseo de la Reforma 404, 14 piso
Col Juárez
06600 México, D.F.
Tel: 011-52-5-225-9275
Fax: 011-52-5-225-9745
Attn: Lic. Fdo. Montes de Oca Peregrina
Lic. Ana Margarita López Rosenzweig

(c) if to the Company, to:

Megacable, S.A. de C.V.
Blvd. Rosales y Anatolio Ortega, Local #7
Colonia Scalley
Los Mochis, Sinaloa 81240 MEXICO
Telephone: 011-52-681-89262
Facsimile: 011-52-681-23290
Attn: Mr. Enrique Yamuni Robles

4.8. Expenses. Except as otherwise specifically provided in this Agreement, each party hereto shall pay all its own costs and expenses incident to this Agreement and the transactions contemplated hereby, including legal and accounting fees and disbursements.

4.9. Severability. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to this Agreement to the extent possible. In any event, the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other competent jurisdiction.

4.10. **No Third Party Beneficiaries.** Nothing in this Agreement will be construed as giving any Person, other than the parties hereto, and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

4.11. **English Language.** Should this Agreement be translated into any language other than English, the English version shall control and prevail on any question of interpretation or otherwise.

4.12. **Integration; Section Headings; Counterparts etc.** This Agreement and the other documents delivered pursuant hereto constitute the entire agreement of the parties relating to the subject matter hereof and supersede any and all prior agreements, arrangements and understandings relating thereto. The section headings of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

4.13. **No Joint Venture or Agency.** Neither this Agreement nor any transaction contemplated hereby shall create the relationship of partners, joint venturers or principal and agent among the parties hereto or any of their respective Affiliates, except as expressly provided herein or therein. None of the parties hereto have any authority to represent or bind the other parties in any manner whatsoever, except as agreed in writing by the parties.

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

C-TEC CORPORATION

By: 

Name: David C. McCourt

Title: Chairman and Chief Executive Officer

Accepted and Agreed:

MEGACABLE, S.A. de C.V.

By: 

Name: JAVIER BOURS CASTELO

Title: CHAIRMAN OF THE BOARD OF DIRECTORS

By: 

Name: ENRIQUE YAMURI ROBLES

Title: CHIEF EXECUTIVE OFFICER

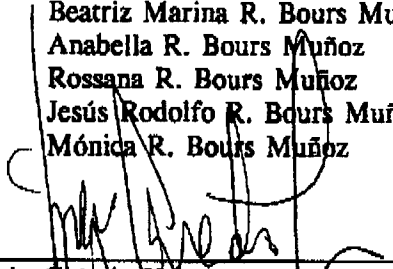
PRIVATE SHAREHOLDERS



Jose Gerardo R. Bours Castelo,
individually and as attorney-in-fact
acting on behalf of:

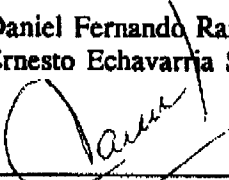
Angel Robinson Bours Urrea
Martha Guadalupe Bours de Larraguibel
Marina Guadalupe Bours de Alvarado
Lucia Margarita Bours de Valenzuela
Antonio Robinson Bours Urrea
Roberto Robinson Bours Urrea
Alfonso Robinson Bours Almada
Javier Robinson Bours Almada
Juan Robinson Bours Almada
Idelfonso Fernández Salido
Julian Aguilera Campoy
Julian Aguilera Urrea
Jesús Enrique R. Bours Muñoz

Beatriz Marina R. Bours Muñoz
Anabella R. Bours Muñoz
Rossana R. Bours Muñoz
Jesús Rodolfo R. Bours Muñoz
Mónica R. Bours Muñoz




Trigio Cañedo Urias,
individually and as attorney-in-fact
acting on behalf of:

Daniel Fernando Ramos Cabello
Ernesto Echavarría Salazar



Enrique Rubén Mazón Rubio,
individually and as attorney-in-fact
acting on behalf of:

Gustavo Alberto Mazón L.
Ricardo Mazón L.
Hector Ruben Mazón L.
José Oscar Mazón Rubio
Jorge Horacio Mazón Rubio
Luis Roberto Mazón Rubio



José Gabriel Urquijo Beltrán,
individually and as attorney-in-fact
acting on behalf of:

Manuel Urquijo Beltrán
Manuela Beltrán González