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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2001.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ to _____.

Commission File Number: 000-27927

CHARTER COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware	43-1857213
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12405 Powerscourt Drive	63131
St. Louis, Missouri (Address of principal executive offices)	(Zip Code)

(314) 965-0555
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Number of shares of Class A common stock outstanding as of November 14, 2001: 294,583,431

Number of shares of Class B common stock outstanding as of November 14, 2001: 50,000

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CHARTER COMMUNICATIONS, INC.

FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2001

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:

This Quarterly Report includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of the forward-looking statements contained in this Quarterly Report may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "estimated" and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this Quarterly Report are set forth in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission and include, but are not limited to:

- our plans to achieve growth by offering new products and services;
- our anticipated capital expenditures for our planned upgrades and new equipment and facilities;
- our ability to fund capital expenditures and any future acquisitions;
- our beliefs regarding the effects of governmental regulation on our business;
- our ability to effectively compete in a highly competitive environment;
- our ability to obtain programming at reasonable prices; and
- general business and economic conditions, particularly in light of the uncertainty stemming from the recent terrorist activity in the United States and the armed conflict abroad.

All forward-looking statements attributable to us or a person acting on our behalf are expressly qualified in their entirety by these cautionary statements.

PART I. FINANCIAL INFORMATION.

ITEM 1. FINANCIAL STATEMENTS.
CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	SEPTEMBER 30, 2001	DECEMBER 31, 2000 *
	(UNAUDITED)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 15,205	$ 130,702
Accounts receivable, less allowance for doubtful accounts of $24,273 and $12,421, respectively	257,380	217,667
Receivables from related party	4,181	6,480
Prepaid expenses and other current assets	77,076	77,719
Total current assets	353,842	432,568
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of $1,757,747 and $1,061,216, respectively	6,727,029	5,267,519
Franchises, net of accumulated amortization of $2,849,974 and $1,878,929, respectively	17,503,324	17,068,702
Total investment in cable properties, net	24,230,353	22,336,221
OTHER ASSETS	310,093	274,777
	$24,894,288	$23,043,566
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 1,295,821	$ 1,367,234
Total current liabilities	1,295,821	1,367,234
LONG-TERM DEBT	15,654,739	13,060,455
DEFERRED MANAGEMENT FEES – RELATED PARTY	13,751	13,751
OTHER LONG-TERM LIABILITIES	410,117	285,266
MINORITY INTEREST	4,303,363	4,089,329
REDEEMABLE SECURITIES	—	1,104,327
PREFERRED STOCK – REDEEMABLE; $.001 par value; 1 million shares authorized; 505,664 shares issued and outstanding	50,566	—
SHAREHOLDERS' EQUITY:		
Class A common stock; $.001 par value; 1.75 billion and 1.75 billion shares authorized, respectively; 294,427,431 and 233,752,282 shares issued and outstanding, respectively	294	234
Class B common stock; $.001 par value; 750 million shares authorized; 50,000 shares issued and outstanding	—	—
Preferred stock; $.001 par value; 249 million shares authorized; no non-redeemable shares issued and outstanding	—	—
Additional paid-in capital	4,951,685	4,018,444
Accumulated deficit	(1,767,115)	(894,881)
Accumulated other comprehensive loss	(18,933)	(593)
Total shareholders' equity	3,165,931	3,123,204
	$24,894,288	$23,043,566

The accompanying notes are an integral part of these consolidated financial statements.

* Agrees with the audited consolidated balance sheet included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
	(UNAUDITED)		(UNAUDITED)	
REVENUES	$ 1,043,844	$ 838,961	$ 2,846,116	$ 2,355,345
OPERATING EXPENSES:				
Operating, general and administrative	561,288	426,021	1,519,863	1,204,334
Depreciation and amortization	775,438	628,106	2,192,285	1,777,893
Option compensation expense	(57,083)	8,116	(46,195)	34,205
Corporate expenses	15,014	14,055	42,728	41,570
	1,294,657	1,076,298	3,708,681	3,058,002
Loss from operations	(250,813)	(237,337)	(862,565)	(702,657)
OTHER INCOME (EXPENSE):				
Interest expense	(342,255)	(283,300)	(978,022)	(765,342)
Interest income	1,947	624	12,064	6,734
Other, net	(88,917)	(3,451)	(172,825)	(5,955)
	(429,225)	(286,127)	(1,138,783)	(764,563)
Loss before minority interest	(680,038)	(523,464)	(2,001,348)	(1,467,220)
MINORITY INTEREST IN LOSS OF SUBSIDIARY	362,611	313,447	1,129,357	879,667
Net loss	(317,427)	(210,017)	(871,991)	(587,553)
Dividends on preferred stock – redeemable	(243)	—	(243)	—
Net loss applicable to common stock	$ (317,670)	$ (210,017)	$ (872,234)	$ (587,553)
LOSS PER COMMON SHARE, basic and diluted	$ (1.08)	$ (0.93)	$ (3.34)	$ (2.63)
Weighted average common shares outstanding, basic and diluted	294,250,549	224,965,289	261,240,101	222,997,913

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000
	(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (871,991)	$ (587,553)
Adjustments to reconcile net loss to net cash from operating activities:		
Minority interest in loss of subsidiary	(1,129,357)	(879,667)
Depreciation and amortization	2,192,285	1,777,893
Option compensation expense	(46,195)	34,205
Non-cash interest expense	208,880	126,478
Loss on equity investments	46,846	—
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:		
Accounts receivable	(31,522)	(85,249)
Prepaid expenses and other current assets	(10,778)	14,159
Accounts payable and accrued expenses	(80,535)	495,810
Receivables from/payables to related party, including deferred management fees	15,416	(42,003)
Other operating activities	9,491	2,324
Net cash flows from operating activities	302,540	856,397
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(2,156,613)	(1,854,105)
Payments for acquisitions, net of cash acquired	(1,792,195)	(1,132,509)
Purchase of investments	(10,113)	(14,888)
Other investing activities	(9,579)	(7,176)
Net cash flows from investing activities	(3,968,500)	(3,008,678)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs	1,230,367	—
Borrowings of long-term debt	6,557,199	5,551,303
Repayments of long-term debt	(4,148,873)	(3,437,008)
Payments for debt issuance costs	(88,230)	(62,848)
Other financing activities	—	11,595
Net cash flows from financing activities	3,550,463	2,063,042
NET DECREASE IN CASH AND CASH EQUIVALENTS	(115,497)	(89,239)
CASH AND CASH EQUIVALENTS, beginning of period	130,702	133,706
CASH AND CASH EQUIVALENTS, end of period	$ 15,205	$ 44,467
CASH PAID FOR INTEREST	$ 608,893	$ 453,742
NON-CASH TRANSACTIONS:		
Exchange of assets for acquisition	$ 24,440	$ —
Issuances of common stock as payment for acquisitions	$ —	$ 1,184,698
Reclassification of redeemable securities to equity and minority interest	$ 1,104,327	$ —
Issuances of preferred stock – redeemable, as payment for acquisitions	$ 50,566	$ —

The accompanying notes are an integral part of these consolidated financial statements.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. ORGANIZATION AND BASIS OF PRESENTATION

Charter Communications, Inc. (Charter) is a holding company whose primary asset at September 30, 2001 is a 46.5% controlling equity interest in Charter Communications Holding Company, LLC (Charter Holdco), which in turn is the sole owner of Charter Communications, Holdings, LLC (Charter Holdings). Charter, Charter Holdco and its subsidiaries are collectively referred to herein as the "Company". All material intercompany transactions and balances have been eliminated in consolidation. The Company owns and operates cable systems serving approximately 7 million customers at September 30, 2001. The Company currently offers a full range of traditional analog cable television services, along with an array of advanced products and services such as digital cable television, interactive video programming, cable modem high-speed Internet access and video-on-demand.

2. RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures typically included in the Company's Annual Report on Form 10-K have been condensed or omitted for this Quarterly Report.

The accompanying consolidated financial statements are unaudited. However, in the opinion of management, such statements include all adjustments, which consist of only normal recurring adjustments, necessary for a fair presentation of the results for the periods presented. Interim results are not necessarily indicative of results for a full year.

3. ACQUISITIONS

During 2000, the Company acquired cable systems in five separate transactions for an aggregate purchase price of $1.1 billion, net of cash acquired, excluding debt assumed of $963.3 million. In connection with the acquisitions, Charter issued shares of Class A common stock valued at approximately $178.0 million, and Charter Holdco and an indirect subsidiary of Charter Holdco issued equity interests totaling $384.6 million and $629.5 million, respectively.

On June 30, 2001, the Company completed several transactions with AT&T Broadband, LLC (AT&T) resulting in a net addition of approximately 554,000 customers in Missouri, Alabama, Nevada and California for a total purchase price of $1.77 billion, consisting of $1.75 billion in cash and a cable system in Florida valued at $24.4 million.

On August 31, 2001, the Company completed the acquisition of several cable systems from Cable USA, Inc. and its affiliates, resulting in a net addition of approximately 30,600 customers in Nebraska, Minnesota and Colorado for a total purchase price of $100.3 million (including certain assumed liabilities), consisting of $44.6 million in cash, 505,664 shares of Series A Convertible Redeemable Preferred Stock (the Preferred Stock) valued at $50.6 million and additional shares of Preferred Stock valued at $5.1 million to be issued to certain sellers subject to certain holdback provisions of the acquisition agreement.

The above transactions were accounted for using the purchase method of accounting, and, accordingly, the results of operations of the acquired assets have been included in the consolidated financial statements from their respective dates of acquisition. The purchase prices were allocated to assets and liabilities assumed based on relative fair values. The allocation of the purchase prices for the 2001 acquisitions is based, in part, on preliminary information, which is subject to adjustment upon obtaining complete valuation information. Management believes that finalization of the purchase prices and allocation thereof will not have material impact on the consolidated results of operations or financial position of the Company.

The operating results of the Company summarized which follow are presented on a pro forma basis as if the following had occurred on January 1, 2000 (dollars in thousands, except per share data): the AT&T transactions completed on June 30, 2001, all acquisitions completed during 2000, the issuance of Charter Holdings senior and senior discount notes in January 2001, the issuance by Charter of convertible senior notes in October and November 2000, the drawdown of Charter Holdings' 2000 senior bridge loan facility, the issuance of Charter Holdings senior and senior discount notes in May 2001, and the issuance of and sale by Charter of convertible senior notes and common stock in May 2001. In addition, adjustments have been made to give effect to amortization of franchises, interest expense, minority interest, and certain other adjustments.

	NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000
Revenues	$3,007,751	$2,649,465
Loss from operations	(880,948)	(767,489)
Net loss	(969,320)	(795,563)
Loss per common share, basic and diluted	(3.30)	(2.71)

The unaudited pro forma financial information does not purport to be indicative of the consolidated results of operations had these transactions been completed as of the assumed date or which may be obtained in the future. Information regarding debt transactions which occurred during 2000 is included in the Company's 2000 Annual Report on Form 10-K.

On September 28, 2001, Charter Holdco and High Speed Access Corp. (HSA), signed a definitive asset purchase agreement for Charter Holdco to purchase the contracts and associated assets of HSA that serve the Company's customers for a purchase price of approximately $81.1 million in cash and the assumption of certain liabilities, subject to certain closing adjustments and indemnity reserves. The agreement has been approved by the directors of Charter and HSA, and is expected to close later this year subject to certain closing conditions, including regulatory review and approval by HSA's shareholders. Charter Holdco, Vulcan Ventures, and HSA directors, who collectively possess a majority of the voting power of HSA, have agreed to vote their shares in favor of the transaction. The transaction is also subject to approval by a majority of the votes cast by holders of HSA's common stock, other than Charter Holdco, Vulcan Ventures and certain officers and directors of HSA. As of September 30, 2001, the carrying value of Charter's investment in HSA is zero.

In connection with the HSA transaction contemplated above, Charter Holdco and Vulcan Ventures, a related party, entered into a stock purchase agreement pursuant to which Charter Holdco will purchase from Vulcan Ventures 38,000 shares of HSA Series D preferred stock, which represents all of HSA's Series D preferred stock owned by Vulcan Ventures. The purchase price will be $8.0 million in cash and closing of the sale will occur immediately prior to the closing of the asset purchase agreement. The stock purchase agreement will terminate if the asset purchase agreement is terminated. As part of the consideration for the asset purchase agreement, all of the Series D preferred stock of HSA held by our subsidiary, Charter Ventures, and purchased from Vulcan Ventures will be cancelled.

4. LONG-TERM DEBT

Long-term debt consists of the following (dollars in thousands):

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
Charter Communications, Inc.:		
5.75% convertible senior notes due 2005	$ 750,000	$ 750,000
4.75% convertible senior notes due 2006	632,500	—
Charter Communications Holdings, LLC:		
March 1999 Charter Holdings notes:		
8.250% senior notes due 2007	600,000	600,000
8.625% senior notes due 2009	1,500,000	1,500,000
9.920% senior discount notes due 2011	1,475,000	1,475,000
January 2000 Charter Holdings notes:		
10.00% senior notes due 2009	675,000	675,000
10.25% senior notes due 2010	325,000	325,000
11.75% senior discount notes due 2010	532,000	532,000
January 2001 Charter Holdings notes:		
10.75% senior notes due 2009	900,000	—
11.125% senior notes due 2011	500,000	—
13.50% senior discount notes due 2011	675,000	—
May 2001 Charter Holdings notes:		
9.625% senior notes due 2009	350,000	—
10.00% senior notes due 2011	575,000	—
11.75% senior discount notes due 2011	1,018,000	—
Charter Holdings 2000 senior bridge loan facility	—	272,500
Renaissance Media Group LLC:		
10.00% senior discount notes due 2011	114,413	114,413
CC V Holdings, LLC (Avalon):		
11.875% senior discount notes due 2006	179,750	179,750
Credit Facilities:		
Charter Operating	3,760,000	4,432,000
CC Michigan, LLC and CC New England, LLC (Avalon)	—	213,000
CC VI Operating Company, LLC (Fanch)	850,000	895,000
Falcon Cable Communications, LLC	486,250	1,050,000
CC VIII Operating, LLC (Bresnan)	1,002,000	712,000
Other debt	1,347	1,971
	16,901,260	13,727,634
Unamortized net discount	(1,246,521)	(667,179)
	$15,654,739	$13,060,455

In December 2000, Charter Holdings contributed all of its equity interests in one of its subsidiaries, CC VIII, LLC (CC VIII), to another subsidiary, CCV Holdings, combining the cable systems acquired in the Bresnan and Avalon acquisitions. In connection with this combination, in January 2001, the CC VIII Operating (Bresnan) credit facilities were amended and restated to, among other things, increase borrowing availability by $550.0 million. In addition, all amounts due under the Avalon credit facilities were repaid and the credit facilities were terminated.

In January 2001, Charter Holdings and its subsidiary, Charter Communications Holding Capital Corporation (Charter Capital), issued the January 2001 Charter Holdings notes with an aggregate principal amount at maturity of $2.1 billion (see preceding table). The net proceeds were approximately $1.7 billion, after giving effect to discounts, commissions and expenses. Charter Holdings used all the net proceeds to repay all remaining amounts outstanding under the Charter Holdings 2000 senior bridge loan facility and the revolving portion of the CC VI (Fanch) credit facility and a portion of amounts outstanding under the Charter Operating and the revolving portion of the CC VII (Falcon) credit facilities, and for general corporate purposes, including capital expenditures.

In May 2001, Charter Holdings and Charter Capital issued notes with an aggregate principal amount at maturity of $1.9 billion (see preceding table). The net proceeds were used to pay the cash purchase price of the AT&T transactions, repay certain amounts outstanding under the revolving portions of the credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures.

In May 2001, Charter issued convertible senior notes with an aggregate principal amount at maturity of $632.5 million. The net proceeds were used to repay certain amounts outstanding under the revolving portions of the credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures.

In September 2001, the Company amended its CC VII (Falcon) credit facility to provide for additional borrowings of up to $103.6 million. Terms of the revolving portion of the facility were also amended to provide for maturity in June 2007. Any additional borrowings will be used for general corporate purposes, including capital expenditures.

5. MINORITY INTEREST

As of September 30, 2001, minority interest consists primarily of total members' equity of Charter Holdco ($6.8 billion) multiplied by 53.5%, the ownership percentage of Charter Holdco not owned by Charter, and of preferred equity in CC VIII, LLC which is held by certain Bresnan sellers. Gains and losses arising from the issuance by Charter Holdco of its membership units are recorded as capital transactions, thereby increasing or decreasing shareholders' equity and decreasing or increasing minority interest on the accompanying consolidated balance sheets.

Changes to minority interest consist of the following (dollars in thousands):

Balance, December 31, 2000	$ 4,089,329
Minority interest in loss of subsidiary	(1,129,357)
Equity reclassified from redeemable securities (26,539,746 shares of Class A common stock)	1,096,075
Gain on issuance of equity by Charter Holdco	294,067
Other	(46,751)
Balance, September 30, 2001	$ 4,303,363

6. REDEEMABLE SECURITIES

In February 2001, all remaining rescission rights associated with the Company's existing redeemable securities expired without the security holders requesting repurchase of their securities. Accordingly, the Company reclassified the respective amounts to minority interest and shareholders' equity, as applicable.

7. PREFERRED STOCK – REDEEMABLE

On August 31, 2001, in connection with Charter's acquisition of Cable USA, Inc. and certain cable system assets from affiliates of Cable USA, Inc., Charter issued 505,664 shares of Series A Convertible Redeemable Preferred Stock valued at and with a liquidation preference of $50.6 million.

Holders of the Preferred Stock have no voting rights but are entitled to receive cumulative cash dividends at an annual rate of 5.75%, payable quarterly. If for any reason Charter fails to pay the dividends on the Preferred Stock on a timely basis, the dividend rate on each share increases to an annual rate of 7.75% until the payment is made. The Preferred Stock is redeemable by Charter at its option on or after August 31, 2004 and must be redeemed by Charter at any time upon a change of control, or if not previously redeemed or converted, on August 31, 2008. The Preferred Stock is convertible, in whole or in part, at the option of the holders from April 1, 2002 through August 31, 2008, into shares of common stock at an initial conversion rate equal to a conversion price of $24.71 per share of common stock, subject to certain customary adjustments. The redemption price per share of Preferred Stock is the Liquidation Preference of $100, subject to certain customary adjustments.

8. COMMON STOCK

In May 2001, Charter issued 60,247,350 shares of common stock for net cash proceeds totaling $1.2 billion. The net proceeds were used to repay certain amounts outstanding under the revolving credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures.

9. STOCK BASED COMPENSATION

In September 2001, when the Company's former President and Chief Executive Officer terminated his employment, he forfeited an option to purchase 7.0 million Charter Holdco membership units, of which 4.8 million had vested. Accordingly, the Company recorded a reversal of previously recorded compensation expense of $66.6 million.

During September and October 2001, in connection with new employment agreements and related option agreements entered into by the Company, certain executives of the Company were awarded an aggregate of 256,000 shares of restricted common stock that vested 25% upon grant, with the remaining shares vesting monthly over a three-year period beginning after the first anniversary of the date of grant.

10. REVENUES

Revenues consist of the following (dollars in millions):

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
Analog video	$ 730.3	$637.7	$2,045.9	$1,861.4
Digital video	86.3	25.1	210.0	48.4
Cable modem	43.9	13.2	101.9	36.3
Advertising sales	83.8	67.4	204.0	142.5
Other	99.5	95.6	284.3	266.7
	$1,043.8	$839.0	$2,846.1	$2,355.3

11. OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

Operating, general and administrative expenses consist of the following (dollars in millions):

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000	2001	2000
General, administrative and service	$228.0	$191.8	$ 617.4	$ 541.8
Analog video programming	237.3	180.9	659.5	527.4
Digital video	31.1	10.0	75.9	23.4
Cable modem	28.9	11.7	67.0	25.4
Advertising sales	17.2	15.2	46.1	40.6
Marketing	18.8	16.4	54.0	45.7
	$561.3	$426.0	$1,519.9	$1,204.3

12. COMPREHENSIVE LOSS

The Company owns common stock that is classified as available-for-sale and reported at market value, with unrealized gains and losses recorded to accumulated other comprehensive loss and minority interest in the accompanying consolidated balance sheets. For derivative instruments the Company owns which are effective in hedging variable interest payments into fixed payments, the Company records the gains or losses on the effective portion of the hedge to accumulated other comprehensive loss and minority interest in the accompanying consolidated balance sheets. For the three months ended September 30, 2001 and 2000, comprehensive loss was $329.6 million and $210.0 million, respectively. For the nine months ended September 30, 2001 and 2000, comprehensive loss was $890.3 million and $588.0 million, respectively.

13. ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company uses interest rate risk management derivative instruments, such as interest rate swap agreements, interest rate cap agreements and interest rate collar agreements (collectively referred to herein as interest rate agreements) as required under the terms of its credit facilities. The Company's policy is to manage interest costs using a mix of fixed and variable rate debt. Using interest rate swap agreements, the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Interest rate cap agreements are used to lock in a maximum interest rate should variable rates rise, but enable the Company to otherwise pay lower market rates. Interest rate collar agreements are used to limit the Company's exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standard No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133). The Company's interest rate agreements are recorded in the consolidated balance sheet at September 30, 2001 as either an asset or liability measured at fair value. In connection with the adoption of SFAS No. 133, the Company recorded a loss of $23.9 million for the cumulative effect of change in accounting principle as other expense. The effect of adoption was to increase other expense and loss before minority interest, net loss and loss per share by $23.9 million, $9.8 million and $0.04, respectively, for the nine months ended September 30, 2001.

The Company has certain interest rate derivative instruments which have been designated as cash flow hedging instruments. Such instruments are those which effectively convert variable interest payments on debt instruments into fixed payments. For qualifying hedges, SFAS No. 133 allows derivative gains and losses to offset related results on hedged items in the consolidated statement of operations. The Company has formally documented, designated and assessed the effectiveness of transactions that receive hedge accounting. For the three and nine month periods ended September 30, 2001, other expense includes $1.5 million and $0.9 million of losses, respectively, which represent cash flow hedge ineffectiveness on interest rate hedge agreements arising from differences between the critical terms of the agreements and the related hedged obligations. Changes in the fair value of interest rate agreements designated as hedging instruments of the variability of cash flows associated with floating-rate debt obligations are reported in accumulated other comprehensive loss. At September 30, 2001, included in accumulated other comprehensive loss was a loss of $41.3 million related to derivative instruments designated as cash flow hedges. The amounts are subsequently reclassified into interest expense as a yield adjustment in the same period in which the related interest on the floating-rate debt obligations affects earnings or losses.

Certain interest rate derivative instruments are not designated as hedges as they do not meet the effectiveness criteria specified by SFAS No. 133. However, the Company believes such instruments are closely correlated with the respective debt, thus managing associated risk. Interest rate derivative instruments not designated as hedges are marked to fair value with the impact recorded as other income or expense. For the three and nine months ended September 30, 2001, the Company recorded other expense of $70.9 million and $84.2 million for interest rate derivative instruments not designated as hedges.

14. NEW ACCOUNTING STANDARDS

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations", No. 142, "Goodwill and Other Intangible Assets" and No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. SFAS No. 141 is required to be implemented for all acquisitions initiated after June 30, 2001 and all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001 or later. Adoption of SFAS No. 141 will not impact the consolidated financial statements of the Company.

Under SFAS No. 142, goodwill and other indefinite lived intangible assets are no longer subject to amortization over their useful lives, rather, they are subject to at least annual assessments for impairment. Also, under SFAS No. 142, an intangible asset should be recognized if the benefit of the intangible asset is obtained through contractual or other legal rights or if the intangible asset can be sold, transferred, licensed, rented or exchanged. Such intangibles will be amortized over their useful lives. SFAS No. 142 will be implemented by the Company on January 1, 2002 and all goodwill and intangible assets acquired after June 30, 2001 will be immediately subject to the provisions of SFAS No. 142. Upon adoption, the Company will no longer amortize indefinite lived intangible assets, which consist primarily of cable franchise operating rights. The Company will test these assets for impairment at least annually. Other than during any periods in which the Company may record a charge for impairment, the Company expects that the adoption of SFAS No. 142 will result in increased income as a result of reduced amortization expense. Based on the Company's

preliminary evaluation, the estimated costs incurred during the three and nine months ended September 30, 2001, which will not be recurring costs subsequent to adoption, were $338.9 million and $973.1 million, respectively.

Under SFAS No. 143, the fair value of a liability for an asset retirement obligation is required to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be implemented by the Company on January 1, 2002. Adoption of SFAS No. 143 will not have a material impact on the consolidated financial statements of the Company.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of and supersedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.” SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and resolves implementation issues related to SFAS No. 121. SFAS No. 144 will be implemented by the Company on January 1, 2002. Adoption of SFAS No. 144 will not have a material impact on the consolidated financial statements of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Reference is made to the "Certain Trends and Uncertainties" section in this Management's Discussion and Analysis for a discussion of important factors that could cause actual results to differ from expectations and non-historical information contained herein.

GENERAL

Charter Communications, Inc. is a holding company whose primary asset at September 30, 2001 is a 46.5% controlling equity interest in Charter Holdco. The Company owns and operates cable systems serving approximately 7 million customers at September 30, 2001. The Company currently offers a full range of traditional analog cable television services, along with an array of advanced services such as digital cable television, interactive video programming, cable modem high-speed Internet access and video-on-demand.

The following table presents various operating statistics as of September 30, 2001 and 2000:

	September 30,	
	2001	2000
ANALOG VIDEO		
Homes Passed	11,485,900	10,160,200
Basic Customers	6,970,100	6,318,300
Basic Penetration	60.7%	62.2%
Premium Units	6,050,500	4,426,200
Premium Penetration	86.8%	70.1%
Average Monthly Revenue per Basic Customer (quarter)	$ 49.92	$ 44.26
DIGITAL VIDEO		
Homes Passed	10,366,600	7,568,000
Digital Customers	1,951,200	653,800
Penetration of Digital Homes Passed	18.8%	8.6%
Penetration of Basic Customers	28.0%	10.3%
Digital Converters Deployed	2,611,000	807,900
DATA		
Homes Passed	6,479,700	4,580,400
Data Customers	545,900	184,600
Penetration	8.4%	4.0%

ACQUISITIONS

The following table sets forth information on acquisitions since January 1, 2000:

	ACQUISITION DATE	PURCHASE PRICE, INCLUDING DEBT ASSUMED (IN MILLIONS)	NET ACQUIRED CUSTOMERS
Interlake	1/00	$ 13	6,000
Bresnan	2/00	3,078	695,800
Capital Cable	4/00	60	23,200
Farmington Cable	4/00	15	5,700
Kalamazoo	9/00	171	50,700
Total during 2000		3,337	781,400
AT&T systems	6/01	1,770	554,000
Cable USA	8/01	100	30,600
Total during 2001		1,870	584,600
Total		$5,207	1,366,000

On June 30, 2001, we completed several cable system transactions with AT&T resulting in a net addition of approximately 554,000 customers in Missouri, Alabama, Nevada and California for a total of $1.77 billion, consisting of $1.75 billion in cash and a cable system located in Florida valued at $24.4 million.

On August 31, 2001, we completed the acquisition of several cable systems from Cable USA, Inc. and its affiliates, resulting in a net addition of approximately 30,600 customers in Nebraska, Minnesota and Colorado for $44.6 million in cash (including certain assumed liabilities) and $55.6 million in Series A Convertible Redeemable Preferred Stock (the Preferred Stock), $5.1 million of which is subject to certain holdback provisions and has not yet been issued.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2001 Compared to Three Months Ended September 30, 2000

The following table sets forth the percentages of revenues that items in the accompanying consolidated statements of operations constitute for the indicated periods (dollars in millions, except per share data):

	THREE MONTHS ENDED SEPTEMBER 30,			
	2001		2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES
Revenues	$1,043.8	100.0%	$ 839.0	100.0%
Operating expenses:				
Operating, general and administrative	561.3	53.8%	426.0	50.8%
Depreciation and amortization	775.4	74.3%	628.1	74.9%
Option compensation expense	(57.1)	(5.5%)	8.1	1.0%
Corporate expenses	15.0	1.4%	14.1	1.7%
	1,294.6	124.0%	1,076.3	128.4%
Loss from operations	(250.8)	(24.0%)	(237.3)	(28.4%)
Other income (expense):				
Interest expense	(342.2)	(32.8%)	(283.3)	(33.8%)
Interest income	1.9	0.2%	0.6	—
Other expense	(88.9)	(8.5%)	(3.4)	(0.4%)
	(429.2)	(41.1%)	(286.1)	(34.2%)
Loss before minority interest	(680.0)	(65.1%)	(523.4)	(62.6%)
Minority interest in loss of subsidiary	362.6	34.7%	313.4	37.4%
Net loss	$ (317.4)	(30.4%)	$ (210.0)	(25.2%)
Dividends on preferred stock, redeemable	(0.2)	(0.0%)	—	0.0%
Net loss applicable to common stock	$ (317.6)	(30.4%)	$ (210.0)	(25.2%)
Loss per common share, basic and diluted	$ (1.08)		$ (0.93)	

Revenues. Revenues increased by $204.8 million, or 24.4%, from $839.0 million for the three months ended September 30, 2000 to $1,043.8 million for the three months ended September 30, 2001. System operations existing before January 1, 2000 accounted for $113.7 million, or 55.5% of the increase, while systems acquired after January 1, 2000 accounted for $91.1 million, or 44.5%, of the increase. Revenues by service offering are as follows (dollars in millions):

	THREE MONTHS ENDED SEPTEMBER 30,					
	2001		2000		2001 OVER 2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES	CHANGE	% CHANGE
Analog video	$ 730.3	70.0%	$637.7	76.0%	$ 92.6	14.5%
Digital video	86.3	8.3%	25.1	3.0%	61.2	243.8%
Cable modem	43.9	4.2%	13.2	1.6%	30.7	232.6%
Advertising sales	83.8	8.0%	67.4	8.0%	16.4	24.3%
Other	99.5	9.5%	95.6	11.4%	3.9	4.1%
	$1,043.8	100.0%	$839.0	100.0%	$204.8	

Analog video customers increased by 651,800, or 10.3%, to 6,970,100 at September 30, 2001 as compared to 6,318,300 at September 30, 2000. Of this increase, approximately 584,600 customer additions were the result of acquisitions. The remaining increase of 67,200 customers relates to internal growth. Internal growth, as it is used throughout, represents all additions excluding those initially obtained through acquisition.

Digital video customers increased by 1,297,400, or 198.4%, to 1,951,200 at September 30, 2001 from 653,800 at September 30, 2000. The increase was primarily due to internal growth which continues to increase as we upgrade our systems to provide advanced services to a larger customer base. Increased marketing efforts and strong demand for this service have also contributed to the increase.

Data customers increased by 361,300, or 195.7%, to 545,900 at September 30, 2001 from 184,600 at September 30, 2000. Data customers consisted of 507,700 cable modem customers and 38,200 dial-up customers at September 30, 2001. The increase was primarily due to internal growth. Our system upgrades continue to increase our ability to offer high-speed interactive service to a larger customer base. Growth in data services was also the result of strong marketing efforts coupled with increased demand for such services.

Advertising sales increased $16.4 million, or 24.3%, from $67.4 million for the three months ended September 30, 2000 to $83.8 million for the three months ended September 30, 2001. The increase was primarily due to internal growth and was partially offset by a weakening advertising environment. As a result of our rebuild efforts, we experienced increased capacity due to expanded channel line-ups. In addition, the level of advertising purchased by programmers to promote their channels, added as part of our expansion of channel line-ups, increased during 2001 compared to the corresponding period in 2000.

Operating, General and Administrative Costs. Operating, general and administrative costs increased by $135.3 million, from $426.0 million for the three months ended September 30, 2000 to $561.3 million for the three months ended September 30, 2001. Key components of expense as a percentage of revenues are as follows (dollars in millions):

	THREE MONTHS ENDED SEPTEMBER 30,					
	2001		2000		2001 OVER 2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES	CHANGE	% CHANGE
General, administrative and service	$228.0	21.9%	$191.8	22.9%	$ 36.2	18.9%
Analog video programming	237.3	22.7%	180.9	21.6%	56.4	31.2%
Digital video	31.1	3.0%	10.0	1.2%	21.1	211.0%
Cable modem	28.9	2.8%	11.7	1.4%	17.2	147.0%
Advertising sales	17.2	1.6%	15.2	1.8%	2.0	13.2%
Marketing	18.8	1.8%	16.4	1.9%	2.4	14.6%
	$561.3	53.8%	$426.0	50.8%	$135.3	

The increase in general, administrative and service costs of $36.2 million was due to increased bad debt expense resulting from the discounting of our analog product, coupled with increased spending on customer care and overall continued growth. The increase in analog video programming of $56.4 million was due to continued inflationary and negotiated increases, particularly in sports

programming, coupled with increased channel capacity. The increase of $21.1 million in direct operating costs to provide digital video services was primarily due to internal growth of these advanced services. The increase of $17.2 million in direct operating costs to provide cable modem services was primarily due to internal growth. Advertising sales costs increased $2.0 million due to internal growth and increased channel capacity. Marketing expenses increased $2.4 million related to an increased level of promotions of our service offerings.

Gross Margin. Gross margin decreased by 3.0%, from 49.2% for the three months ended September 30, 2000 to 46.2% for the three months ended September 30, 2001 primarily due to the acquisition of less profitable cable systems from AT&T. Gross margin on analog video decreased by 4.1% from 71.6% for the three months ended September 30, 2000 to 67.5% in 2001 primarily due to continued inflation and negotiated increases in programming. Digital video gross margin increased 3.8% from 60.2% for the three months ended September 30, 2000 to 64.0% in 2001 primarily due to an increased customer base. Cable modem gross margin increased 22.8% from 11.4% for the three months ended September 30, 2000 to 34.2% in 2001 primarily due to an increased customer base. Advertising sales gross margin increased by 2.1%, from 77.4% for the three months ended September 30, 2000 to 79.5% in 2001 primarily due to expanded channel capacity as a result of our significant system upgrades, coupled with increased advertising purchases by programmers.

Depreciation and Amortization. Depreciation and amortization expense increased by $147.3 million, from $628.1 million for the three months ended September 30, 2000 to $775.4 million for the three months ended September 30, 2001. This increase was due to capital expenditures under our rebuild and upgrade program in 2000 and 2001 and amortization of franchises in connection with acquisitions completed in September 2000 and June 2001.

Option Compensation Expense. Option compensation expense decreased by $65.2 million, from $8.1 million for the three months ended September 30, 2000 to income of $57.1 million for the three months ended September 30, 2001. This decrease is primarily the result of the reversal of expense previously recorded in connection with approximately seven million options forfeited by our former President and Chief Executive Officer as part of his September 2001 separation agreement. This was partially offset by expense recorded because exercise prices on certain options were less than the estimated fair values of our stock at the time of grant. Compensation expense is being accrued over the vesting period of the options and will continue to be recorded at a decreasing rate until the last vesting period lapses in April 2004.

Corporate Expenses. Corporate expenses increased by $0.9 million, from $14.1 million for the three months ended September 30, 2000 to $15.0 million for the three months ended September 30, 2001. The increase was primarily the result of continued growth.

Interest Expense. Interest expense increased by $58.9 million, from $283.3 million for the three months ended September 30, 2000 to $342.2 million for the three months ended September 30, 2001. The increase in interest expense was a result of an increase in average debt outstanding of $3.6 billion to $15.6 billion for the third quarter of 2001 compared to $12.0 billion for the third quarter of 2000, partially offset by a decline in our weighted average borrowing rate of 1.16% to 8.12% in the third quarter of 2001 from 9.28% in the third quarter of 2000. Our weighted average borrowing rate decreased primarily as a result of our issuance of the 4.75% convertible senior notes in May 2001, coupled with a general decline in variable borrowing rates. The increased debt primarily relates to the issuance of the January 2001 and the May 2001 Charter Holdings notes and Charter's May 2001 4.75% convertible senior notes used to fund acquisitions and other general corporate purposes.

Interest Income. Interest income increased by $1.3 million, from $0.6 million for the three months ended September 30, 2000 to $1.9 million for the three months ended September 30, 2001. The increase in interest income was due to higher average cash on hand during the three months ended September 30, 2001 as compared to the three months ended September 30, 2000 as a result of the issuance of the May 2001 Charter Holdings notes, Charter's May 2001 4.75% convertible senior notes and 60,247,350 shares of Charter common stock.

Other Expense. Other expense increased by $85.4 million, from $3.5 million for the three months ended September 30, 2000 to $88.9 million for the three months ended September 30, 2001. This increase was primarily due to a loss of $72.4 million on interest rate agreements as a result of SFAS No. 133 and losses on investments of $10.8 million in the three months ended September 30, 2001.

Minority Interest. Minority interest increased by $49.2 million, from $313.4 million for the three months ended September 30, 2000 to $362.6 million for the three months ended September 30, 2001. The minority interest represents the ownership in Charter Holdco by entities other than Charter.

Net Loss. Net loss increased by $107.4 million, from $210.0 million for the three months ended September 30, 2000 to $317.4 million for the three months ended September 30, 2001 as a result of the factors described above.

Loss per Common Share. The loss per common share increased by $0.15, from $0.93 per common share for the three months ended September 30, 2000 to $1.08 per common share for the three months ended September 30, 2001 as a result of the factors described above, partially offset by an increase in weighted average shares outstanding due to the issuance of 60,247,350 shares of Charter common stock in May 2001.

Nine Months Ended September 30, 2001 Compared to Nine Months Ended September 30, 2000

The following table sets forth the percentages of revenues that items in the accompanying consolidated statements of operations constitute for the indicated periods (dollars in millions, except per share data):

	NINE MONTHS ENDED SEPTEMBER 30,			
	2001		2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES
Revenues	$ 2,846.1	100.0%	$ 2,355.3	100.0%
Operating expenses:				
Operating, general and administrative	1,519.9	53.4%	1,204.3	51.1%
Depreciation and amortization	2,192.3	77.0%	1,777.9	75.5%
Option compensation expense	(46.2)	(1.6%)	34.2	1.5%
Corporate expenses	42.7	1.5%	41.6	1.7%
	3,708.7	130.3%	3,058.0	129.8%
Loss from operations	(862.6)	(30.3%)	(702.7)	(29.8%)
Other income (expense):				
Interest expense	(978.0)	(34.4%)	(765.3)	(32.5%)
Interest income	12.0	0.4%	6.7	0.3%
Other expense	(172.8)	(6.0%)	(6.0)	(0.3%)
	(1,138.8)	(40.0%)	(764.6)	(32.5%)
Loss before minority interest	(2,001.4)	(70.3%)	(1,467.3)	(62.3%)
Minority interest in loss of subsidiary	1,129.4	39.7%	879.7	37.4%
Net loss	$ (872.0)	(30.6%)	$ (587.6)	(24.9%)
Dividends on preferred stock, redeemable	(0.2)	(0.0%)	—	0.0%
Net loss applicable to common stock	$ (872.2)	(30.6%)	$ (587.6)	(24.9%)
Loss per common share, basic and diluted	$ (3.34)		$ (2.63)	

Revenues. Revenues increased by $490.8 million, or 20.8%, from $2.4 billion for the nine months ended September 30, 2000 to $2.8 billion for the nine months ended September 30, 2001. System operations existing before January 1, 2000 accounted for $356.4 million, or 72.6%, of the increase, while systems acquired after January 1, 2000 accounted for $134.4 million, or 27.4%, of the increase. Revenues by service offering are as follows (dollars in millions):

	NINE MONTHS ENDED SEPTEMBER 30,					
	2001		2000		2001 OVER 2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES	CHANGE	% CHANGE
Analog video	$2,045.9	71.9%	$1,861.4	79.0%	$184.5	9.9%
Digital video	210.0	7.3%	48.4	2.1%	161.6	333.9%
Cable modem	101.9	3.6%	36.3	1.5%	65.6	180.7%
Advertising sales	204.0	7.2%	142.5	6.1%	61.5	43.2%
Other	284.3	10.0%	266.7	11.3%	17.6	6.6%
	$2,846.1	100.0%	$2,355.3	100.0%	$490.8	

Analog video customers increased by 651,800, or 10.3%, to 6,970,100 at September 30, 2001 as compared to 6,318,300 at September 30, 2000. Of this increase, approximately 584,600 customer additions were the result of acquisitions. The remaining increase of 67,200 customers relates to internal growth.

Digital video customers increased by 1,297,400, or 198.4%, to 1,951,200 at September 30, 2001 from 653,800 at September 30, 2000. The increase was primarily due to internal growth which continues to increase as we upgrade our systems to provide advanced services to a larger customer base. Increased marketing efforts and strong demand for this service have also contributed to the increase.

Data customers increased by 361,300, or 195.7%, to 545,900 at September 30, 2001 from 184,600 at September 30, 2000. Data customers consisted of 507,700 cable modem customers and 38,200 dial-up customers at September 30, 2001. The increase was primarily due to internal growth. Our system upgrades continue to increase our ability to offer high-speed interactive service to a larger customer base. Growth in data services was also the result of strong marketing efforts coupled with increased demand for such services.

Advertising sales increased $61.5 million, from $142.5 million for the nine months ended September 30, 2000 to $204.0 million for the nine months ended September 30, 2001. The increase was primarily due to internal growth and was partially offset by a weakening advertising environment. As a result of our rebuild efforts, we experienced increased capacity due to expanded channel line-ups. In addition, the level of advertising purchased by programmers to promote their channels, added as part of our expansion of channel line-ups, increased during 2001 compared to the corresponding period in 2000.

Operating, General and Administrative Costs. Operating, general and administrative costs increased by $315.6 million, from $1.2 billion for the nine months ended September 30, 2000 to $1.5 billion for the nine months ended September 30, 2001. Key components of expense as a percentage of revenues are as follows (dollars in millions):

	NINE MONTHS ENDED SEPTEMBER 30,					
	2001		2000		2001 OVER 2000	
	AMOUNT	% OF REVENUES	AMOUNT	% OF REVENUES	CHANGE	% CHANGE
General, administrative and service	$ 617.4	21.7%	$ 541.8	23.0%	$ 75.6	14.0%
Analog video programming	659.5	23.1%	527.4	22.4%	132.1	25.0%
Digital video	75.9	2.7%	23.4	1.0%	52.5	224.4%
Cable modem	67.0	2.4%	25.4	1.1%	41.6	163.8%
Advertising sales	46.1	1.6%	40.6	1.7%	5.5	13.5%
Marketing	54.0	1.9%	45.7	1.9%	8.3	18.2%
	$1,519.9	53.4%	$1,204.3	51.1%	$315.6	

The increase in general, administrative and service costs of $75.6 million was due to increased bad debt expense resulting from the discounting of our analog product, coupled with increased spending on customer care and overall continued growth. The increase in analog video programming of $132.1 million was primarily due to continued inflationary or negotiated increases, primarily in sports programming, coupled with increased channel capacity. The increase of $52.5 million in direct operating costs to provide digital video services was primarily due to internal growth of these advanced services. The increase of $41.6 million in direct operating costs to provide cable modem services was primarily due to internal growth. Advertising sales costs increased $5.5 million due to internal growth and increased channel capacity. Marketing expenses increased $8.3 million related to an increased level of promotions of our service offerings.

Gross Margin. Gross margin decreased by 2.3%, from 48.9% for the nine months ended September 30, 2000 to 46.6% for the nine months ended September 30, 2001 primarily due to the acquisition of less profitable cable systems from AT&T. Gross margin on analog video decreased by 3.9% from 71.7% for the nine months ended September 30, 2000 to 67.8% in 2001 primarily due to continued inflation and negotiated increases in programming costs. Digital video gross margin increased 12.2% from 51.7% for the nine months ended September 30, 2000 to 63.9% in 2001 primarily due to an increased customer base. Cable modem gross margin increased 4.2% from 30.0% for the nine months ended September 30, 2000 to 34.2% in 2001 due to an increased customer base. Advertising sales gross margin increased 5.9% from 71.5% for the nine months ended September 30, 2000 to 77.4% in 2001 due to expanded channel capacity as a result of our significant system upgrades, coupled with increased advertising purchases by programmers.

Depreciation and Amortization. Depreciation and amortization expense increased by $0.4 billion, from $1.8 billion for the nine months ended September 30, 2000 to $2.2 billion for the nine months ended September 30, 2001. This increase was due to capital expenditures under our rebuild and upgrade program in 2000 and 2001 and amortization of franchises in connection with acquisitions completed in September 2000 and June 2001.

Option Compensation Expense. Option compensation expense decreased by $80.4 million, from $34.2 million for the nine months ended September 30, 2000 to income of $46.2 million for the nine months ended September 30, 2001. This decrease is primarily the result of the reversal of expense previously recorded in connection with approximately seven million options forfeited by our former President and Chief Executive Officer as part of his September 2001 separation agreement. This was partially offset by expense recorded because exercise prices on certain options were less than the estimated fair values of our stock at the time of grant. Compensation expense is being accrued over the vesting period of the options and will continue to be recorded at a decreasing rate until the last vesting period lapses in April 2004.

Corporate Expenses. Corporate expenses increased by $1.1 million, from $41.6 million for the nine months ended September 30, 2000 to $42.7 million for the nine months ended September 30, 2001. The increase was primarily the result of continued growth.

Interest Expense. Interest expense increased by $212.7 million, from $765.3 million for the nine months ended September 30, 2000 to $978.0 million for the nine months ended September 30, 2001. The increase in interest expense was a result of an increase in average debt outstanding of $3.7 billion to $14.5 billion for the nine months ended September 30, 2001 compared to $10.8 billion for the nine months ended September 30, 2000, partially offset by a decline in our weighted average borrowing rate of 0.68% to 8.38% in the nine months ended September 30, 2001 from 9.06% in the nine months ended September 30, 2000. Our weighted average borrowing rate decreased primarily as a result of our issuance of 4.75% convertible senior notes in May 2001, coupled with a general decline in variable borrowing rates. The increased debt primarily relates to the issuance of the January 2001 and the May 2001 Charter Holdings notes and Charter's issuance of the May 2001 4.75% convertible senior notes used to fund acquisitions and other general corporate purposes.

Interest Income. Interest income increased by $5.4 million, from $6.7 million for the nine months ended September 30, 2000 to $12.1 million for the nine months ended September 30, 2001. The increase in interest income was due to higher average cash on hand during the nine months ended September 30, 2001 as compared to the nine months ended September 30, 2000 as a result of the issuance of the May 2001 Charter Holdings notes, Charter's May 2001 4.75% convertible senior notes and 60,247,350 shares of Charter common stock.

Other Expense. Other expense increased by $166.8 million, from $6.0 million of income for the nine months ended September 30, 2000 to $172.8 million of expense for the nine months ended September 30, 2001. This increase was primarily due to a cumulative effect of a change in accounting principle of $23.9 million related to our adoption of SFAS No. 133 on January 1, 2001, a loss of $85.1 million on interest rate agreements as a result of SFAS No. 133 and losses of $46.8 million on investments.

Minority Interest. Minority interest increased by $249.7 million, from $879.7 million for the nine months ended September 30, 2000 to $1,129.4 million for the nine months ended September 30, 2001. The minority interest represents the ownership in Charter Holdco by entities other than Charter.

Net Loss. Net loss increased by $284.4 million, from $587.6 million for the nine months ended September 30, 2000 to $872.0 million for the nine months ended September 30, 2001 as a result of the factors described above.

Loss per Common Share. The loss per common share increased by $0.71, from $2.63 per common share for the nine months ended September 30, 2000 to $3.34 per common share for the nine months ended September 30, 2001 as a result of the factors described above, partially offset by an increase in weighted average shares outstanding due to the issuance of 60,247,350 shares of Charter common stock in May 2001.

LIQUIDITY AND CAPITAL RESOURCES

Our business requires significant cash to fund acquisitions, capital expenditures, debt service costs and ongoing operations. We have historically funded and expect to fund future liquidity and capital requirements through cash flows from operations, borrowings under our credit facilities and debt and equity transactions. Our cash flows from operating activities were $302.5 million and $856.4 million for the nine months ended September 30, 2001 and 2000, respectively. The decline in cash flows from operating activities was due primarily to timing of payments. As of September 30, 2001, we had $15.2 million in cash. In addition to the cash on hand as of

September 30, 2001, we have unused availability of $2.9 billion under our bank credit facilities. In recent years, we have incurred significant additional debt to fund our capital expenditures and acquisitions. Our significant amount of debt may adversely affect our ability to obtain financing in the future and react to changes in our business. Our credit facilities and other debt instruments contain various financial and operating covenants that could adversely impact our ability to operate our business, including restrictions on the ability of our operating subsidiaries to distribute cash to their parents. See "—Certain Trends and Uncertainties—Restrictive Covenants" for further information.

INVESTING ACTIVITIES

Capital Expenditures. We have substantial ongoing capital expenditure requirements. We make capital expenditures primarily to upgrade, rebuild and expand our cable systems, as well as for system improvements, for the development of new products and services and deployment of digital converters and cable modems. Upgrading our cable systems will enable us to offer an increasing variety of advanced products and services, including digital television, additional channels and tiers, expanded pay-per-view options, cable modem high-speed Internet access, video-on-demand and interactive services, to a larger customer base.

We made capital expenditures, excluding acquisitions of cable systems, of $2.2 billion and $1.9 billion for the nine months ended September 30, 2001 and 2000, respectively. The majority of the capital expenditures in 2001 relates to our rebuild and upgrade program and purchases of converters and cable modems, and was funded from cash flows from operations, the issuance of common stock and debt, and borrowings under credit facilities.

Excluding the AT&T and Cable USA transactions, for 2001, 2002 and 2003, we expect to spend a total of approximately $2.9 billion, $1.9 billion and $1.2 billion, respectively, to upgrade and rebuild our systems in order to offer advanced services to our customers and for normal recurring capital expenditures which is an increase over our previous expectations due to increased capital expenditure amounts for the expansion of video-on-demand to our digital customers. Capital expenditures for the AT&T and Cable USA transactions are expected to be $150.0 million, $500.0 million, and $250.0 million in 2001, 2002, and 2003, respectively which includes $365.0 million for upgrades and rebuilds of these systems with the remainder allocated to normal recurring capital expenditures. Normal recurring capital expenditures will include extensions of systems, development of new products and services, purchases of converters and cable modems, system improvements and the build-out of advanced customer call centers. The amount that we spend on these types of capital expenditures will depend on the level of our growth in digital cable customer base and in the delivery of other advanced services. We currently anticipate that we will have sufficient capital to fund our capital expenditures through 2003, after which time we expect that cash flows from operations will fund our capital expenditures and interest expense. If there is accelerated growth in digital cable customers or in the delivery of other advanced services, or if we acquire substantial additional customers, however, we may need to obtain additional capital. If we are not able to obtain such capital it could adversely affect our ability to offer new products and services and compete effectively, and could adversely affect our growth, financial condition and results of operations. See "—Certain Trends and Uncertainties" for further information.

FINANCING ACTIVITIES

As of September 30, 2001 and December 31, 2000, long-term debt totaled approximately $15.7 billion and $13.1 billion, respectively. This debt was comprised of approximately $6.1 billion and $7.3 billion of bank debt, $8.2 billion and $5.0 billion of high-yield bonds and $1.4 billion and $750.0 million of convertible debt at September 30, 2001 and December 31, 2000, respectively. As of September 30, 2001 and December 31, 2000, the weighted average rate on the bank debt was approximately 6.3% and 8.8%, respectively, while the weighted average rate on the high-yield and convertible debt was approximately 9.5% and 9.5%, respectively, resulting in a blended weighted average rate of 8.2% and 8.6%, respectively. Approximately 80% of our debt was effectively fixed including the effects of our interest rate hedge agreements as of September 30, 2001 as compared to approximately 60% as of December 31, 2000.

January 2001 Charter Holdings Notes. In January 2001, Charter Holdings and Charter Capital issued $900.0 million 10.75% senior notes due 2009, $500.0 million 11.125% senior notes due 2011 and $350.6 million 13.5% senior discount notes due 2011 with a principal amount at maturity of $675.0 million. The net proceeds were approximately $1.7 billion, after giving effect to discounts, commissions and expenses. The net proceeds from the January 2001 Charter Holdings notes were used to repay all remaining amounts outstanding under the Charter Holdings 2000 senior bridge loan facility and the CC VI (Fanch) revolving credit facility and a portion of the amounts outstanding under the Charter Operating and the CC VII (Falcon) revolving credit facilities, and for general corporate purposes.

The 10.75% senior notes are not redeemable prior to maturity. Interest is payable semi-annually on April 1 and October 1, beginning October 1, 2001 until maturity.

The 11.125% senior notes are redeemable at our option at amounts decreasing from 105.563% to 100% of par value beginning on January 15, 2006, plus accrued and unpaid interest, to the date of redemption. At any time prior to January 15, 2004, the issuers may redeem up to 35% of the aggregate principal amount of the 11.125% senior notes at a redemption price of 111.125% of the principal amount under certain conditions. Interest is payable semi-annually in arrears on January 15 and July 15, beginning on July 15, 2001, until maturity.

The 13.5% senior discount notes are redeemable at the option of the issuers at amounts decreasing from 106.750% to 100% of the accreted value beginning January 15, 2006. At any time prior to January 15, 2004, the issuers may redeem up to 35% of the aggregate principal amount of the 13.5% senior discount notes at a redemption price of 113.5% of the accreted value under certain conditions. Interest is payable in arrears on January 15 and July 15, beginning on July 15, 2006, until maturity. The discount on the 13.5% senior discount notes is being accreted using the effective interest method.

May 2001 Charter Holdings Notes. The May 2001 Charter Holdings notes were issued under six separate indentures, each among Charter Holdings and Charter Capital, as the issuers, and BNY Midwest Trust Company, as trustee.

The May 2001 Charter Holdings notes are general unsecured obligations of Charter Holdings and Charter Capital. The May 2001 9.625% Charter Holdings notes issued in the aggregate principal amount of $350.0 million mature on November 15, 2009. The May 2001 10.000% Charter Holdings notes issued in the aggregate principal amount of $575.0 million mature on May 15, 2011. The May 2011 11.750% Charter Holdings notes issued in the aggregate principal amount at maturity of $1.018 billion mature on May 15, 2011. Cash interest on the May 2001 11.750% Charter Holdings notes will not accrue prior to May 15, 2006.

The May 2001 Charter Holdings notes are senior debts of Charter Holdings and Charter Capital. They rank equally with the current and future unsecured and unsubordinated debt of Charter Holdings, including the March 1999, January 2000 and January 2001 notes.

Charter Holdings and Charter Capital will not have the right to redeem the May 2001 9.625% Charter Holdings notes prior to their maturity date on November 15, 2009. Before May 15, 2004, Charter Holdings and Charter Capital may redeem up to 35% of the May 2001 10.000% Charter Holdings notes and the May 2001 11.750% Charter Holdings notes, in each case, at a premium with proceeds of certain offerings of equity securities. In addition, on or after May 15, 2006, Charter Holdings and Charter Capital may redeem some or all of the May 2001 10.000% Charter Holdings notes and the May 2001 11.750% Charter Holdings notes at any time, in each case, at a premium. The optional redemption price declines to 100% of the principal amount of the May 2001 Charter Holdings notes redeemed, plus accrued and unpaid interest, if any, for redemption on or after May 15, 2009.

In the event of a specified change of control event, Charter Holdings and Charter Capital must offer to repurchase any then outstanding May 2001 Charter Holdings notes at 101% of their aggregate principal amount or accreted value, as applicable, plus accrued and unpaid interest, if any.

The indentures governing the May 2001 Charter Holdings notes contain substantially identical events of default, affirmative covenants and negative covenants as those contained in the indentures governing the Charter Holdings March 1999, January 2000 and January 2001 notes.

May 2001 Charter Convertible Notes. In May 2001, Charter sold 4.75% convertible senior notes due 2006 with an aggregate principal amount of $632.5 million. The net proceeds were used to repay certain amounts outstanding under the revolving portions of the credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures.

Common Stock Issuance. In May 2001, Charter sold 60,247,350 shares of common stock for net cash proceeds totaling $1.2 billion. The proceeds were used to repay certain amounts outstanding under the revolving portions of the credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures.

Preferred Stock – Redeemable. On August 31, 2001, in connection with Charter's acquisition of Cable USA, Inc. and certain cable system assets from affiliates of Cable USA, Inc., Charter issued 505,664 shares of Series A Convertible Redeemable Preferred Stock valued at and with a liquidation preference of $50.6 million.

Holders of the Preferred Stock have no voting rights but are entitled to receive cumulative cash dividends at an annual rate of 5.75% on the Liquidation Preference of each share, payable quarterly. If for any reason Charter fails to pay the dividends on the Preferred Stock on a timely basis, the dividend rate on each share increases to an annual rate of 7.75% until the payment is made. The Preferred Stock is redeemable by Charter at its option on or after August 31, 2004 and must be redeemed by Charter at any time upon a change of control, or if not previously redeemed or converted, on August 31, 2008. The Preferred Stock is convertible, in whole or in part, at the option of the holders from April 1, 2002 through August 31, 2008, into shares of common stock at an initial conversion rate equal to a conversion price of $24.71 per share of common stock, subject to certain customary adjustments. The redemption price per share of Preferred Stock is the Liquidation Preference of $100, subject to certain customary adjustments.

RECENT DEVELOPMENTS

High Speed Access Corp.

On September 28, 2001, Charter Holdco and High Speed Access Corp. (HSA), signed a definitive asset purchase agreement for Charter Holdco to purchase the contracts and associated assets of HSA that serve the Company's customers for a purchase price of approximately $81.1 million in cash and the assumption of certain liabilities, subject to certain closing adjustments and indemnity reserves. The agreement has been approved by the directors of Charter and HSA, and is expected to close later this year subject to certain closing conditions, including regulatory review and approval by HSA's shareholders. Charter Holdco, Vulcan and HSA directors, who collectively possess a majority of the voting power of HSA, have agreed to vote their shares in favor of the transaction. The transaction is also subject to approval by a majority of the votes cast by holders of HSA's common stock, other than Charter Holdco, Vulcan and certain officers and directors of HSA. As of September 30, 2001, the carrying value of Charter's investment in HSA is zero.

In connection with the HSA transaction contemplated above, Charter Holdco and Vulcan Ventures, a related party, entered into a stock purchase agreement pursuant to which Charter Holdco will purchase from Vulcan Ventures 38,000 shares of HSA Series D preferred stock, which represents all of HSA's Series D preferred stock owned by Vulcan Ventures. The purchase price will be $8.0 million in cash and closing of the sale will occur immediately prior to the closing of the asset purchase agreement. The stock purchase agreement will terminate if the asset purchase agreement is terminated. As part of the consideration for the asset purchase agreement, all of the Series D preferred stock of HSA held by our subsidiary, Charter Ventures, and purchased from Vulcan Ventures will be cancelled.

OUTLOOK

During the third quarter of 2001, we have continued to aggressively roll out our advanced services, focusing on our digital cable and cable modem businesses. We expect 2001 revenue growth of 12.5% to 13.5% and operating cash flow growth after corporate overhead expense of 10% to 11%. Basic customer growth is expected to approximate 1% in 2001. Digital customer growth is expected to increase dramatically from 1.07 million customers at December 31, 2000 to more than 2.15 million customers by the end of 2001. Cable modem growth in the third quarter exceeded our targeted range and we believe we will end 2001 with 630,000 data customers. In addition, we expect video-on-demand to be available to approximately 2.2 million homes passed by the end of the year. Our guidance does not include undetermined transitional costs related to the restructuring of our high-speed data network for approximately 20% of our data customers due to the bankruptcy of Excite@Home Corporation. Telephony initiatives will continue to be tested and developed during 2001 with market entry targeted for 2002 or 2003. Furthermore, we will continue our focus on interactive TV, with trials currently in process and expected launches in several markets beginning in 2001. Our advanced technology

team is working on digital video recorder (DVR) capability in advanced digital set-top terminals and wireless home networking. Set-top terminals with built-in DVR functionality should be available to our digital customers in 2002.

NEW ACCOUNTING STANDARDS

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, "Business Combinations", No. 142, "Goodwill and Other Intangible Assets" and No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. SFAS No. 141 is required to be implemented for all acquisitions initiated after June 30, 2001 and all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001 or later. Adoption of SFAS No. 141 will not impact the consolidated financial statements of the Company.

Under SFAS No. 142, goodwill and other indefinite lived intangible assets are no longer subject to amortization over their useful lives, rather, they are subject to at least annual assessments for impairment. Also, under SFAS No. 142, an intangible asset should be recognized if the benefit of the intangible asset is obtained through contractual or other legal rights or if the intangible asset can be sold, transferred, licensed, rented or exchanged. Such intangibles will be amortized over their useful lives. SFAS No. 142 will be implemented by the Company on January 1, 2002 and all goodwill and intangible assets acquired after June 30, 2001 will be immediately subject to the provisions of SFAS No. 142. Upon adoption, the Company will no longer amortize indefinite lived intangible assets, which consist primarily of cable franchise operating rights. The Company will test these assets for impairment at least annually. Other than during any periods in which the Company may record a charge for impairment, the Company expects that the adoption of SFAS No. 142 will result in increased income as a result of reduced amortization expense. Based on the Company's preliminary evaluation, the estimated costs incurred during the three and nine months ended September 30, 2001, which will not be recurring costs subsequent to adoption, were $338.9 million and $973.1 million, respectively.

Under SFAS No. 143, the fair value of a liability for an asset retirement obligation is required to be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be implemented by the Company on January 1, 2002. Adoption of SFAS No. 143 will not have a material impact on the consolidated financial statements of the Company.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and resolves implementation issues related to SFAS No. 121. SFAS No. 144 will be implemented by the Company on January 1, 2002. Adoption of SFAS No. 144 will not have a material impact on the consolidated financial statements of the Company.

CERTAIN TRENDS AND UNCERTAINTIES

The following discussion highlights a number of trends and uncertainties, in addition to those discussed elsewhere in this Quarterly Report, that could materially impact our business, results of operations and financial condition.

Substantial Leverage. As of September 30, 2001, our total debt was approximately $15.7 billion. Although we anticipate we will have sufficient capital to fund our capital expenditures through 2003, we may incur significant additional debt in the future to fund the expansion, maintenance and upgrade of our cable systems. Our ability to make payments on our debt and fund our ongoing operations will depend on our ability to generate cash flow from operations in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our existing credit facilities, new facilities or from other sources of financing at acceptable rates or in an amount sufficient to enable us to repay our debt, to grow our business or to fund our other liquidity and capital needs.

Variable Interest Rates. At September 30, 2001, excluding the effects of hedging, approximately 38.9% of our debt bears interest at variable rates that are linked to short-term interest rates. In addition, a significant portion of our existing debt, assumed debt or debt we might arrange in the future will bear interest at variable rates. If interest rates rise, our costs relative to those obligations will also rise. As of September 30, 2001 and December 31, 2000, the weighted average rate on the bank debt was approximately 6.3% and 8.8%, respectively, while the weighted average rate on the high-yield and convertible debt was approximately 9.5% and 9.5%, respectively, resulting in a blended weighted average rate of 8.2% and 8.6%, respectively. Approximately 80% of our debt was

effectively fixed including the effects of our interest rate hedge agreements as of September 30, 2001 as compared to approximately 60% at December 31, 2000.

Restrictive Covenants. Our credit facilities and the indentures governing our outstanding debt contain a number of significant covenants that, among other things, restrict our ability and the ability of our subsidiaries to:

- pay dividends or make other distributions;
- make certain investments or acquisitions;
- dispose of assets or merge;
- incur additional debt;
- issue equity;
- repurchase or redeem equity interests and debt;
- create liens; and
- pledge assets.

Furthermore, in accordance with our credit facilities we are required to maintain specified financial ratios and meet financial tests. The ability to comply with these provisions may be affected by events beyond our control. The breach of any of these covenants will result in default under the applicable debt agreement or instrument, which could trigger acceleration of the debt. Any default under our credit facilities or the indentures governing our outstanding debt may adversely affect our growth, our financial condition and our results of operations and the ability to repay amounts due under our publicly held debt.

New Services and Products Growth Strategy. We expect that a substantial portion of any of our future growth will be achieved through revenues from additional services and products. We cannot assure you that we will be able to offer new advanced services and products successfully to our customers or that those new advanced services and products will generate revenues. If we are unable to grow our cash flow sufficiently through our growth strategy, we may be unable to fulfill our obligations or obtain alternative financing. Further, due to declining market conditions and slowing economic trends during recent months, both before and after the terrorist attacks on September 11, 2001, we cannot assure you that we will be able to achieve our planned levels of growth as these events may negatively affect the demand for our additional services and products.

Management of Growth. We have experienced rapid growth that has placed and is expected to continue to place a significant strain on our management, operations and other resources. Our future success will depend in part on our ability to continue to successfully integrate the operations acquired and to attract and retain qualified personnel. The failure to retain or obtain needed personnel or to implement management, operating or financial systems necessary to successfully integrate acquired operations or otherwise manage growth when and as needed could have a material adverse effect on our business, results of operations and financial condition.

Regulation and Legislation. Cable systems are extensively regulated at the federal, state, and local level, including federal rate regulation and municipal approval of grants of franchise agreements and their terms, including requirements to upgrade cable plant equipment.

Cable operators also face significant regulation of their channel capacity. They currently can be required to devote substantial capacity to the carriage of programming that they would not carry voluntarily, including certain local broadcast signals, local public, educational and government access programming, and unaffiliated commercial leased access programming. This carriage burden could increase in the future, particularly if the Federal Communications Commission (FCC) were to require cable systems to carry both the analog and digital versions of local broadcast signals. The FCC is currently conducting a proceeding in which it is considering this channel usage possibility, although it recently issued a tentative decision against such dual carriage.

There is also uncertainty whether local franchising authorities, state regulators, the FCC or the U.S. Congress will impose obligations on cable operators to provide unaffiliated Internet service providers with access to cable plant on non-discriminatory terms. If they were to do so, and the obligations were found to be lawful, it could complicate our operations in general, and our Internet operations in particular, from a technical and marketing standpoint. These access obligations could adversely impact our profitability and discourage system upgrades and the introduction of new products and services. Recently, two federal circuit courts struck down as unlawful open-access requirements imposed by different franchising authorities. In response to the first such ruling, the FCC initiated a proceeding to categorize cable-delivered Internet service and perhaps establish an appropriate regulatory scheme. Company-specific open-access requirements were imposed on Time Warner cable systems in connection with the AOL merger.

Although cable system attachments to public utility poles historically have been regulated at the federal or state level, utility pole owners in many areas are attempting to circumvent or eliminate pole regulation by raising fees and imposing other costs on cable operators and others. In addition, the provision of non-traditional cable services, like the provision of Internet access, may endanger that regulatory protection. The Eleventh Circuit Court of Appeals recently ruled such services left cable attachments ineligible for regulatory protection, and certain utilities already have proposed vastly higher pole attachment rates. The Eleventh Circuit decision is under review by the United States Supreme Court. If the case is upheld and certain of our cable attachments are ineligible for regulatory protection, it could complicate our operations in general, and our Internet operations in particular, from a technical and marketing standpoint. These increased costs could adversely impact our profitability and discourage system upgrades and the introduction of new products and services.

Economic Slowdown; Terrorism; and Armed Conflict. Although we do not believe that the recent terrorist attacks and the subsequent armed conflict and related events have resulted in any material changes to the Company's business and operations for the period ended September 30, 2001, it is difficult to assess the impact that these events, combined with the general economic slowdown, will have on future operations. These events, combined with the general economic slowdown, could result in reduced spending by customers and advertisers, which could reduce our revenues and operating cash flow. Additionally, an economic slowdown could affect our ability to collect accounts receivable. If we experience reduced operating revenues, it could negatively affect our ability to make expected capital expenditures and could also result in our inability to meet our obligations under our financing agreements. These developments could also have a negative impact on our financing and variable interest rate agreements through disruptions in the market or negative market conditions. Terrorist attacks could interrupt or disrupt our ability to deliver our services (or the services provided to us by programmers) and could cause unforeseen damage to the Company's physical facilities. Terrorism and the related events may have other adverse effects on the Company, in ways that cannot be presently predicted.

Excite@Home Corporation. On September 28, 2001, Excite@Home Corporation, the provider of high-speed Internet access service to approximately 130,000 Charter data customers, representing approximately 20% of our total data customers, filed for protection under Chapter 11 of the U.S. Bankruptcy Code. While there can be no assurance that further developments in this bankruptcy proceeding will not adversely affect the Company's ability to provide high-speed Internet access, the Company believes that it will be able to continue to provide such services to existing and new customers through current and future high-speed Internet access vendor relationships. There can be no assurance that future developments will not result in additional costs for the Company, including costs to accelerate rebuild efforts of associated cable plant, costs to negotiate alternative vendor services, and loss of current data customers.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATE RISK

We use interest rate risk management derivative instruments, such as interest rate swap agreements, interest rate cap agreements and interest rate collar agreements (collectively referred to herein as interest rate agreements) as required under the terms of our credit facilities. Our policy is to manage interest costs using a mix of fixed and variable rate debt. Using interest rate swap agreements, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Interest rate cap agreements are used to lock in a maximum interest rate should variable rates rise, but enable us to otherwise pay lower market rates. Interest rate collar agreements are used to limit our exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

Effective January 1, 2001, we adopted Statement of Financial Accounting Standard No. 133 “Accounting for Derivative Instruments and Hedging Activities” (SFAS No. 133). Our interest rate agreements are recorded in the consolidated balance sheet at September 30, 2001 as either an asset or liability measured at fair value. In connection with the adoption of SFAS No. 133, we recorded a loss of $23.9 million for the cumulative effect of change in accounting principle as other expense. The effect of adoption was to increase other expense and loss before minority interest, net loss and loss per share by $23.9 million, $9.8 million and $0.04, respectively, for the nine months ended September 30, 2001.

We have certain interest rate derivative instruments which have been designated as cash flow hedging instruments. Such instruments are those which effectively convert variable interest payments on debt instruments into fixed payments. For qualifying hedges, SFAS No. 133 allows derivative gains and losses to offset related results on hedged items in the consolidated statement of operations. We have formally documented, designated and assessed the effectiveness of transactions that receive hedge accounting. For the three and nine month periods ended September 30, 2001, other expense includes $1.5 million and $0.9 million of losses, respectively, which represent cash flow hedge ineffectiveness on interest rate hedge agreements arising from differences between the critical terms of the agreements and the related hedged obligations. Changes in the fair value of interest rate agreements designated as hedging instruments of the variability of cash flows associated with floating-rate debt obligations are reported in accumulated other comprehensive loss. At September 30, 2001, included in accumulated other comprehensive loss was a loss of $41.3 million related to derivative instruments designated as cash flow hedges. The amounts are subsequently reclassified into interest expense as a yield adjustment in the same period in which the related interest on the floating-rate debt obligations affects earnings (losses).

Certain interest rate derivative instruments are not designated as hedges as they do not meet the effectiveness criteria specified by SFAS No. 133. However, we believe such instruments are closely correlated with the respective debt, thus managing associated risk. Interest rate derivative instruments not designated as hedges are marked to fair value with the impact recorded as other income or expense. For the three and nine months ended September 30, 2001, the Company recorded other expense of $70.9 million and $84.2 million for interest rate derivative instruments not designated as hedges.

At September 30, 2001 and December 31, 2000, we had outstanding $2.5 billion and $1.9 billion, $15.0 million and $15.0 million, and $520.0 million and $520.0 million, respectively, in notional amounts of interest rate swaps, caps and collars, respectively. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of our exposure to credit loss.

As indicated under “—Financing Activities” in “Management’s Discussion and Analysis”, in January 2001, Charter Holdings and Charter Capital issued $900.0 million 10.75% senior notes due 2009, $500.0 million 11.125% senior notes due 2011 and $350.6 million 13.5% senior discount notes due 2011 with a principal amount at maturity of $675.0 million for net proceeds totaling $1.7 billion. These proceeds were used to repay all remaining amounts outstanding under the Charter Holdings 2000 senior bridge loan facility and the CC VI (Fanch) revolving credit facility and a portion of the amounts outstanding under the Charter Operating and the CC VII (Falcon) revolving credit facilities, and for general corporate purposes. In May 2001, Charter Holdings and Charter Capital issued $350.0 million 9.625% senior notes due 2009, $575.0 million 10.000% senior notes due 2011 and senior discount notes with an aggregate principal amount at maturity of $1.0 billion 11.750% senior discount notes due 2011. The net proceeds were used to pay the cash purchase price of the AT&T transactions, repay certain amounts outstanding under the revolving portions of the credit facilities of our subsidiaries and for general corporate purposes, including capital expenditures. In addition, in May 2001, Charter issued 4.75% convertible senior notes due 2006 for cash proceeds totaling $632.5 million. These proceeds were used for general corporate purposes, including capital expenditures. The fair value of our total fixed-rate debt was $8.6 billion and $5.5 billion at September 30, 2001 and December 31, 2000, respectively. The fair value of fixed-rate debt is based on quoted market prices. The fair

value of variable-rate debt approximated the carrying value of $6.1 billion and $7.3 billion at September 30, 2001 and December 31, 2000, respectively, since this debt bears interest at current market rates.

As of September 30, 2001 and December 31, 2000, long-term debt totaled approximately $15.7 billion and $13.1 billion, respectively. This debt was comprised of approximately $6.1 billion and $7.3 billion of bank debt, $8.2 billion and $5.0 billion of high-yield and $1.4 billion and $750.0 million of convertible debt at September 30, 2001 and December 31, 2000, respectively. As of September 30, 2001 and December 31, 2000, the weighted average rate on the bank debt was approximately 6.3% and 8.8%, respectively, while the weighted average rate on the high-yield and convertible debt was approximately 9.5% and 9.5%, respectively, resulting in a blended weighted average rate of 8.2% and 8.6%, respectively. Approximately 80% of our debt was effectively fixed including the effects of our interest rate hedge agreements as of September 30, 2001 as compared to approximately 60% at December 31, 2000.

PART II. OTHER INFORMATION.

ITEM 1. LEGAL PROCEEDINGS.

We are subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions is not expected to materially affect our consolidated financial position, results of operations or liquidity.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

On August 31, 2001, in connection with Charter's acquisition of Cable USA, Inc. and certain cable system assets from affiliates of Cable USA, Inc., Charter issued 505,664 shares of Series A Convertible Redeemable Preferred Stock (the Preferred Stock) valued at $50.6 million as merger consideration and asset purchase price consideration, in addition to the cash purchase price of $44.6 million (including certain assumed liabilities) for the acquisition of such assets. Additional shares of Preferred Stock with a value equal to $5.1 million are issuable to certain of the sellers subject to certain holdback provisions. The liquidation preference on the outstanding Preferred Stock totals $50.6 million at September 30, 2001.

Charter did not receive any cash in exchange for the issuance of the Preferred Stock. In issuing the Preferred Stock, Charter relied on the exemption from registration under the Securities Act of 1933 pursuant to Section 4(2), based in part on the representations made to Charter in investment representation letters from each of the stockholders of Cable USA, Inc. receiving Charter common stock in the transaction and each of the sellers receiving Charter common stock as asset purchase consideration and the limited number of stockholders and sellers receiving Charter common stock. Charter had reasonable grounds to believe that the stockholders and sellers were accredited investors, capable of evaluating the merits and risks of the investment and were acquiring the securities for investment purposes.

In connection with the issuance of the Preferred Stock, Charter filed a certificate of designation with the Secretary of State of the State of Delaware to create and designate the rights, preferences and privileges of the Preferred Stock, including liquidation, dividend, conversion and redemption rights. Each share of Preferred Stock has a liquidation preference (Liquidation Preference) of $100 and holders of the Preferred Stock are entitled to receive cumulative cash dividends at an annual rate of 5.75% on the Liquidation Preference of each share, payable quarterly. The Preferred Stock is redeemable by Charter at its option on or after August 31, 2004 and must be redeemed by Charter at any time upon a change of control, or if not previously redeemed or converted, on August 31, 2008. The Preferred Stock is convertible, in whole or in part, at the option of the holders from April 1, 2002 through August 31, 2008, into shares of common stock at an initial conversion rate equal to a conversion price of $24.71 per share of common stock, subject to certain customary adjustments. The redemption price per share of Preferred Stock is the Liquidation Preference of $100, subject to certain customary adjustments. Except as otherwise required by applicable law and with respect to amendments to Charter's certificate of incorporation for certain matters related to the rights of the holders of the Preferred Stock (which requires a vote of a majority of the holders of the Preferred Stock) holders of the Preferred Stock have no voting rights.

Covenants in the indentures and credit agreements governing the debt obligations of Charter Communications Holdings and its subsidiaries restrict their ability to make distributions to us, and accordingly, limit our ability to declare or pay cash dividends. If for any reason Charter fails to pay the dividends on the Preferred Stock on a timely basis, the dividend rate on each share increases to an annual rate of 7.75% until the payment is made. As part of the acquisition, the Company agreed to use its reasonable best efforts to file a registration statement on Form S-3 covering the shares of common stock underlying the Preferred Stock issued to the sellers within six months of the closing of the acquisition.

The Preferred Stock is senior to Charter's common stock and prohibits Charter from declaring or paying cash dividends on any class of stock on par with or junior to the Preferred Stock, including the common stock, unless the cumulative dividends on the Preferred Stock and any accrued dividends on stock on par with the Preferred Stock for any past or current period have been paid or set aside in full.

On July 25, 2001, we issued an option to purchase 186,385 shares of Charter common stock to a consultant in consideration of services to be rendered in the future. The option is exercisable immediately, at an exercise price of $20.46 per share and if not exercised prior to the 10th anniversary of the grant date, will expire. The option and the common stock underlying the option were issued without registration in reliance on Section 4(2) of the Securities Act of 1933, based in part on the representations made to

Charter by the consultant. Charter had reasonable grounds to believe that the consultant was an accredited investor, capable of evaluating the merits and risks of the investment and was acquiring the securities for investment purposes. As part of the consultant's option grant, the consultant received unlimited "piggyback" registration rights and one "demand" registration right with respect to the common stock underlying the option.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) EXHIBITS

2.1(a) First Amendment to Asset Purchase Agreement, dated as of June 30, 2001, among Marcus Cable of Alabama, L.L.C., on the one hand, and TCI of Selma, Inc., TCI of Lee County, Inc., TCI Cablevision of Alabama, Inc., Alabama T.V. Cable, Inc. and TCI Southeast, Inc., on the other hand.

2.1(b) First Amendment to Reorganization Agreement, dated as of June 30, 2001, among Marcus Cable of Alabama, L.L.C., as assignee of Charter Communications, Inc., on the one hand, and TCI TKR of Alabama, Inc. and TCI Southeast, Inc., on the other hand.

2.1(c) First Amendment to Asset Purchase Agreement, dated as of June 30, 2001, among Falcon Cable Systems Company II, L.P., on the one hand, and AT&T Broadband, LLC, Communication Services, Inc., Ohio Cablevision Network, Inc., TCI Cablevision of California, Inc. and TCI Washington Associates, L.P., on the other hand.

2.1(d) First Amendment to Reorganization Agreement, dated as of June 30, 2001, among Falcon Cable Systems Company II, L.P., as assignee of Charter Communications, Inc., on the one hand, and TCI Cablevision of Nevada, Inc. and TCI West, Inc., on the other hand.

2.1(e) First Amendment to Asset Purchase Agreement, dated as of June 30, 2001, among Charter Communications, Inc., Interlink Communications Partners, LLC, Charter Communications, LLC and Falcon Cable Media, on the one hand, and TCI Cable Partners of St. Louis, L.P. and TCI Cablevision of Missouri, Inc., on the other hand.

2.1(f) First Amendment to Asset Purchase Agreement, dated as of June 30, 2001, among Charter Communications Entertainment I, LLC, on the one hand, and St. Louis Tele-Communications, Inc., TCI Cable Partners of St. Louis, L.P., TCI Cablevision of Missouri, Inc., TCI of Illinois, Inc., TCI TKR of Central Florida, Inc. and TCI Holdings, Inc., on the other hand.

2.1(g) First Amendment to Agreement Regarding Closing Matters, dated as of June 30, 2001, among Charter Communications, Inc., on behalf of itself, Marcus Cable of Alabama, L.L.C., Falcon Cable Systems Company II, L.P., Interlink Communications Partners, LLC, Charter Communications, LLC, Falcon Cable Media, and Charter Communications Entertainment I, LLC, on the one hand, and AT&T Broadband, LLC, on behalf of itself, TCI TKR of Alabama, Inc., TCI of Selma, Inc., TCI of Lee County, TCI Cablevision of Alabama, Inc. and Alabama T.V. Cable, Inc., TCI Southeast, Inc., TCI Cablevision of Nevada, Inc., TCI West, Inc., Communications Services, Inc., Ohio Cablevision Network, Inc., TCI Cablevision of California, Inc., TCI Washington Associates, LP., TCI of Illinois, Inc., TCI Cablevision of Missouri, Inc., St. Louis Tele-Communications, Inc., TCI Cable Partners of St. Louis, L.P., TCI TKR of Central Florida, Inc. and TCI Holdings, Inc., on the other hand.

2.2(a) Asset Purchase Agreement, dated as of September 28, 2001, between High Speed Access Corp. and Charter Communications Holding Company, LLC (including as Exhibit A, the Form of Voting Agreement, as Exhibit B, the form of Management Agreement, as Exhibit C, the form of License Agreement, and as Exhibit D, the Form of Billing Letter Agreement) (Incorporated by reference to Amendment No. 6 to Schedule 13D filed by Charter Communications, Inc. and others with respect to High Speed Access Corp., filed on October 1, 2001 (File No. 000-56431)).

2.2(b) Services and Management Agreement, dated as of September 28, 2001, between High Speed Access Corp. and Charter Communications, Inc. (Incorporated by reference to Amendment No. 6 to Schedule 13D filed by Charter Communications, Inc. and others with respect to High Speed Access Corp., filed on October 1, 2001 (File No. 005-56431)).

2.2(c) License Agreement, dated as of September 28, 2001, between High Speed Access Corp., HSA International, Inc. and Charter Communications Holding Company, LLC. (Incorporated by reference to Amendment No. 6 to Schedule 13D filed by Charter Communications, Inc. and others with respect to High Speed Access Corp., filed on October 1, 2001 (File No. 005-56431)).

2.2(d) Stock Purchase Agreement, dated as of September 28, 2001, by and among Vulcan Ventures Incorporated and Charter Communications Holding Company, LLC. (Incorporated by reference to Amendment No. 6 to Schedule 13D filed by Charter Communications, Inc. and others with respect to High Speed Access Corp., filed on October 1, 2001 (File No. 005-56431)).

2.2(e) Voting Agreement, dated as of September 28, 2001, between High Speed Access Corp, Charter Communications Ventures, LLC, Vulcan Ventures Incorporated and certain directors party thereto (Incorporated by reference to Amendment No. 6 to Schedule 13D filed by Charter Communications, Inc. and others with respect to High Speed Access Corp., filed on October 1, 2001 (File No. 005-56431)).

3.1 Certificate of Designation of Series A Convertible Redeemable Preferred Stock of Charter Communications, Inc. and related Certificate of Correction of Certificate of Designation.

3.2 Amended and Restated By-laws of Charter Communications, Inc. as of June 6, 2001.

10.1 Agreement, dated as of September 24, 2001, by and between Jerald Kent and Charter Communications, Inc.

10.2 Employment Agreement, dated as of September 28, 2001, by and between Kent D. Kalkwarf and Charter Communications, Inc.

10.3 Employment Agreement, dated as of September 28, 2001, by and between David G. Barford and Charter Communications, Inc.

10.4 Employment Agreement, dated as of October 8, 2001, by and between Carl E. Vogel and Charter Communications, Inc.

10.5 Employment Agreement, dated as of October 18 2001, by and between Stephen E. Silva and Charter Communications, Inc.

10.6 Employment Agreement, dated as of October 30, 2001, by and between David L. McCall and Charter Communications, Inc.

10.7 Employment Agreement, dated as of October 30, 2001, by and between James H. Smith, III and Charter Communications, Inc.

10.8 Credit Agreement, dated as of June 30, 1998, as Amended and Restated as of November 12, 1999, as further Amended and Restated as of September 26, 2001, among Falcon Cable Communications, LLC, certain guarantors, and several financial institutions or entities named therein.

10.9 Amended and Restated Limited Liability Company Agreement for Charter Communications Holding Company, LLC made as of August 31, 2001.

10.10 Amendment to the Charter Communications, Inc. 2001 Stock Incentive Plan.

(b) REPORTS ON FORM 8-K

On September 12, 2001, the Registrant filed a current report on Form 8-K to announce its expectations for accelerated growth in digital and high-speed data services during third quarter 2001.

On September 24, 2001, the Registrant filed a current report on Form 8-K to announce the resignation of Jerry Kent, President and Chief Executive Officer.

On October 2, 2001, the Registrant filed a current report on Form 8-K to announce the execution of long-term employment agreements for Kent D. Kalkwarf, Executive Vice President and Chief Financial Officer; and David G. Barford, Executive Vice President and Chief Operating Officer and to announce the execution of a definitive agreement to purchase substantially all of the assets used by High Speed Access Corp. to serve the Company's high-speed data customers.

On October 11, 2001, the Registrant filed a current report on Form 8-K to announce the Board of Directors' selection of Carl Vogel as the new President and Chief Executive Officer and as a member of the Company's Board of Directors and its Executive Committee.

On November 1, 2001, the Registrant filed a current report for Form 8-K to announce 2001 third quarter financial results.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Charter Communications, Inc. has duly caused this Quarterly Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHARTER COMMUNICATIONS, INC.,
Registrant

Dated: November 14, 2001

By: /s/ Kent D. Kalkwarf

Name: Kent D. Kalkwarf
Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 2.1(a)
Conformed Copy

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to Asset Purchase Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Marcus Cable of Alabama, L.L.C. **("MCAL")**, on the one hand, and TCI of Selma, Inc. **("TCI Selma")**, TCI of Lee County, Inc. **("TCI Lee County")**, TCI Cablevision of Alabama, Inc. **("TCIC-AL")**, Alabama T.V. Cable, Inc. **("AL-TV")** and TCI Southeast, Inc. **("TCI Parent")**, on the other.

Recitals

A. MCAL, TCI Selma, TCI Lee County, TCIC-AL, AL-TV and TCI Parent entered into an Asset Purchase Agreement **("Agreement")** as of the 26th day of February, 2001.

B. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

3. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

4. Schedules. Schedules 1.18, 1.33, 4.5, 4.6, 4.7 and 6.2 to the Agreement are hereby amended and restated in their entirety, as of February 26, 2001 (except for changes made since such date in compliance with the Agreement), and as of the Closing, as set forth in Exhibit B attached to this Amendment.

5. Waiver of Conditions. Buyer hereby waives the condition to its obligation to consummate the transactions contemplated by the Agreement set forth in Section 7.2.8 of the Agreement.

6. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

7. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

8. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

MARCUS CABLE OF ALABAMA, L.L.C.

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

TCI OF SELMA, INC.

TCI OF LEE COUNTY, INC.

TCI CABLEVISION OF ALABAMA, INC.

ALABAMA T.V. CABLE, INC.

TCI SOUTHEAST, INC.

Each by: /s/ Alfredo Di Blasio

Name: Alfred Di Blasio
Title: Vice President

Exhibit A

Vehicle Certificates of Title

1GKDM19W4XB526752
1GTDM19W0SB536568

Exhibit B

Amended Schedules 1.18, 1.33, 4.5, 4.6, 4.7 and 6.2

Attached

Exhibit 2.1(b)
Conformed Copy

FIRST AMENDMENT TO REORGANIZATION AGREEMENT

This First Amendment to Reorganization Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Charter Communications, Inc. **("CCI")** and Marcus Cable of Alabama, L.L.C. **("MCAL")**, on the one hand, and TCI TKR of Alabama, Inc. **("TCI TKR-AL")** and TCI Southeast, Inc. **("TCI Cable Parent")**, on the other.

Recitals

A. CCI, TCI TKR-AL and TCI Parent entered into a Reorganization Agreement **("Agreement")** as of the 26th day of February, 2001.

B. The Reorganization Agreement was deemed amended in accordance with the terms of that Agreement Regarding Closing Matters dated as of the same date among CCI, and certain of its affiliates, and AT&T Broadband, LLC, and certain of its affiliates, which amendments were described in that letter dated May 30, 2001, among CCI, TCI TKR-AL, TCI Cable Parent and certain of their respective affiliates.

C. CCI has assigned all of its rights and obligations under the Reorganization Agreement to MCAL.

D. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Parties to the Agreement. MCAL shall be a party to the Agreement and shall have all of the rights and obligations of **"Buyer"** thereunder.

3. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

4. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

5. Schedules. Schedules 1.21, 1.38, 4.5, 4.6, 4.7 and 6.2 to the Agreement are hereby amended and restated in their entirety, as of February 26, 2001 (except for changes

made since such date in compliance with the Agreement), and as of the Closing, as set forth in Exhibit B attached to this Amendment.

6. Waiver of Conditions. Buyer hereby waives the condition to its obligation to consummate the transactions contemplated by the Agreement set forth in Section 7.2.8 of the Agreement.

7. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

8. Opinions; Exhibits. The parties shall amend the Exhibits to the Agreement as appropriate to reflect this Amendment.

9. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

10. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

CHARTER COMMUNICATIONS, INC.

MARCUS CABLE OF ALABAMA, L.L.C.

Each By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

TCI TKR OF ALABAMA, INC.

TCI SOUTHEAST, INC.

Each by: /s/ Alfredo Di Blasio

Name: Alfredo Di Blasio
Title: Vice President

Exhibit A

Vehicle Certificates of Title

1GTEC14M7TZ508756
1G3AJ55M1T6361944
1GTEC19R3TE542821
1GTEC14W9TZ524295
1GTEC14W5TZ523905
1GTEC14W2TZ524820
1GTEC14WXTZ524290
1FDXF4656XEC47495
1FDXF46S8XED19152
1FDXF46SXXED19153
1FTRF17W7XKA89134
1FTZF1722XKC16448
1FTZF1727XKC16476
1FTZF1727XKC16509
1FTRF17W9XKC16675
1FTZF1727XKC18471
1FTRF17W8XKC16702
1FTRF17W5XKC16639
1FTRF17W0XKC14183
1FTRF17L4XKB23214
1FTRF17L2XKB23230
1GDKC34J0YF482543
3FDXF46S8YMA22507

Exhibit B

Amended Schedules 1.21, 1.38, 4.5, 4.6, 4.7 and 6.2

Attached

Exhibit 2.1(c)
Conformed Copy

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to Asset Purchase Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Falcon Cable Systems Company II, L.P. (**"Falcon"**), on the one hand, and AT&T Broadband, LLC (**"AT&T Broadband")**, Communication Services, Inc. (**"CSI"**), Ohio Cablevision Network, Inc. (**"OCNI"**), TCI Cablevision Of California, Inc. (**"TCIC-CA"**) and TCI Washington Associates, L.P. (**"TCI-WA"**), on the other.

Recitals

A. Falcon, AT&T Broadband, CSI, OCNI, TCIC-CA and TCI-WA entered into an Asset Purchase Agreement (**"Agreement"**) as of the 26th day of February, 2001.

B. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

3. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

4. Forest Service Property. With respect to the Real Property which is the subject of the following permit and lease, Seller represents and warrants that Seller has the valid and enforceable right to use and occupy the Real Property, and all improvements thereon owned by Seller and included in the Assets, in each case free and clear of all Encumbrances except Permitted Encumbrances:

a) United States Forest Service Special Use Permit granted to TCI Cablevision of California, Inc., dated July 10, 1995 (Bald Mountain Tower Site, Sec 12, T12N, R11E, MDBM); and

b) Commercial Use Lease dated February 23, 1998 between the United States Forest Service and TCI Cablevision of California, Inc., dated February 23, 1998 (Ward Peak Tower Site Lease, Placer County, California, SEC 18, T15N, R16E, MDM).

With respect to the foregoing interests in Real Property, Seller is not in breach or default of any terms or conditions of any written instrument relating thereto and, to Seller's Knowledge, no other party thereto is in material breach or default of any terms or conditions of any such written instrument.

5. Schedules. Schedules 4.3, 4.5, 4.6, 4.7 and 4.9 to the Agreement are hereby amended and restated in their entirety, as of February 26, 2001 (except for changes made since such date in compliance with the Agreement), and as of the Closing, as set forth in Exhibit B attached to this Amendment.

6. Waiver of Conditions. Buyer hereby waives the condition to its obligation to consummate the transactions contemplated by the Agreement set forth in Section 7.2.8 of the Agreement.

7. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

8. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

9. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

FALCON CABLE SYSTEMS COMPANY II, L.P.

By: Charter Communications CC VII, LLC.,
as General Partner

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

AT&T BROADBAND, LLC

COMMUNICATION SERVICES, INC.

OHIO CABLEVISION NETWORK, INC.

TCI CABLEVISION OF CALIFORNIA, INC.

TCI WASHINGTON ASSOCIATES, L.P.

Each by: /s/ Alfredo Di Blasio

Name: Alfredo Di Blasio
Title: Vice President

Exhibit A

Vehicle Certificates of Title

Nevada
1GTEC14H5PZ517416
1GTEC14H2RZ546150
1FACP52U8LG151515
1GTEK14K7SZ547413
1FDKF38G5KKB20034
1GTDM19WXXB531028
1GTEC14W0YE183870
1GTEK14W7YE182332

California
1GTEK14W6WZ545094
1FTRF18W1XKC07919
1FTRF18W6YKA22704
1GTEK14W8YE262741
1GTEK14W1YE263360
1GTEK14W7YE261936
1GDJK34JXYF478515

Exhibit B

Amended Schedules 4.3, 4.5, 4.6, 4.7 and 4.9

Attached

Exhibit 2.1(d)
Conformed Copy

FIRST AMENDMENT TO REORGANIZATION AGREEMENT

This First Amendment to Reorganization Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Charter Communications, Inc. (**"CCI"**) and Falcon Cable Systems Company II, L.P. (**"Falcon"**), on the one hand, and TCI Cablevision Of Nevada, Inc. (**"TCIC-NV"**) and TCI West, Inc. (**"TCI Cable Parent"**), on the other.

Recitals

A. CCI, TCIC-NV and TCI Parent entered into a Reorganization Agreement (**"Agreement"**) as of the 26th day of February, 2001.

B. The Reorganization Agreement was deemed amended in accordance with the terms of that Agreement Regarding Closing Matters dated as of the same date among CCI, and certain of its affiliates, and AT&T Broadband, LLC, and certain of its affiliates, which amendments were described in that letter dated May 30, 2001, among CCI, TCIC-NV, TCI Cable Parent and certain of their respective affiliates.

C. CCI has assigned all of its rights and obligations under the Reorganization Agreement to Falcon.

D. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Parties to the Agreement. Falcon shall be a party to the Agreement and shall have all of the rights and obligations of **"Buyer"** thereunder.

3. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

4. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

5. Forest Service Property. With respect to the Real Property which is the subject of the following rights of way and permit, Seller represents and warrants that Seller has the valid and enforceable right to use and occupy the Real Property, and all

improvements thereon owned by Seller and included in the Assets, in each case free and clear of all Encumbrances except Permitted Encumbrances:

a) United States Forest Service, as successor to Bureau of Land Management Decision dated June 1, 1979, Granting Right of Way to TCI of Reno, as successor to Teleprompter of Reno (tower site, No. of Grant: N-20462);

b) United States Forest Service Special Use Permit granted to TCI Cablevision of Nevada, Inc., dated March 29, 1991 (Slide Mountain Tower Site, Sec 30, T17N, R19E, MDBM, Washoe County, NV);

c) United States Forest Service, as successor to Bureau of Land Management Decision dated August 29, 1979, Granting Right of Way to TCI of Reno, as successor to Teleprompter of Reno (No. of Grant: N-24529); and

d) United States Forest Service, as successor to Bureau of Land Management Decision dated September 17, 1979, Granting Right of Way to TCI of Reno, as successor to Teleprompter of Reno (tower site, No. of Grant: N-20471)**.**

With respect to the foregoing interests in Real Property, Seller is not in breach or default of any terms or conditions of any written instrument relating thereto and, to Seller's Knowledge, no other party thereto is in material breach or default of any terms or conditions of any such written instrument.

6. Schedules. Schedules 1.21, 1.38, 4.3, 4.5, 4.6, 4.7 and 4.9 to the Agreement are hereby amended and restated in their entirety, as of February 26, 2001 (except for changes made since such date in compliance with the Agreement), and as of the Closing, as set forth in Exhibit B attached to this Amendment.

7. Waiver of Conditions. Buyer hereby waives the condition to its obligation to consummate the transactions contemplated by the Agreement set forth in Section 7.2.8 of the Agreement.

8. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

9. Opinions; Exhibits. The parties shall amend the Exhibits to the Agreement as appropriate to reflect this Amendment.

10. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

11. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

CHARTER COMMUNICATIONS, INC.

FALCON CABLE SYSTEMS COMPANY II, L.P.

By: Charter Communications CC VII, LLC,
as General Partner

Each By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

TCI CABLEVISION OF NEVADA, INC.

TCI WEST, INC.

Each by: /s/ Alfredo Di Blasio

Name: Alfredo Di Blasio
Title: Vice President

Exhibit A

Vehicle Certificates of Title

None

Exhibit B

Amended Schedules 1.21, 1.38, 4.3, 4.5, 4.6, 4.7 and 4.9

Attached

Exhibit 2.1(e)
Conformed Copy

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to Asset Purchase Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Charter Communications, Inc., a Delaware corporation **("Charter Parent")**, Interlink Communications Partners, LLC, a Delaware limited liability company **("Interlink")**, Charter Communications, LLC, a Delaware limited liability company **("Charter LLC")** and Falcon Cable Media, a California Limited Partnership (**"FCM"**), on the one hand, and TCI Cable Partners of St. Louis, L.P. a Colorado limited partnership **("TCI St. Louis")** and TCI Cablevision of Missouri, Inc. a Missouri corporation **("TCI Missouri")**, on the other.

Recitals

A. Charter Parent, Interlink, Charter LLC, FCM, TCI St. Louis and TCI Missouri entered into an Asset Purchase Agreement **("Agreement")** as of the 26th day of February, 2001.

B. Pursuant to the Agreement, Interlink, Charter LLC and FCM had proposed to sell to TCI St. Louis and TCI Missouri certain cable systems located in Miami Beach, Florida, South Miami, Florida and Sebastian, Florida.

C. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein, to provide, among other things, that the Miami Beach and South Miami systems shall not be transferred pursuant to the Agreement and that the only systems to be transferred pursuant to the Agreement shall be the Sebastian systems.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Parties to the Agreement. The Agreement is hereby amended to provide that the sole parties to the Agreement shall be Charter Parent, FCM and TCI Missouri. Charter LLC, Interlink and TCI St. Louis are hereby released from all representations, warranties, covenants, liabilities and obligations pursuant to the Agreement. The term **"Seller"** in the Agreement shall mean only FCM. The term **"Buyer"** in the Agreement shall mean only TCI Missouri.

3. Schedules. The Schedules to the Agreement are hereby amended and restated in their entirety as set forth in the Schedules attached to this Amendment.

4. Purchase Price. The **"Purchase Price"** in Section 3.1 of the Agreement shall be "$27,042,000" (rather than "$249,000,000").

5. Section 3.2.6. Section 3.2.6 of the Agreement is hereby amended and restated in its entirety to read as follows:

"3.2.6. The Purchase Price will be decreased by the dollar amount equal to the product of (i) the Subscriber Shortfall multiplied by (ii) $3,000. For purposes of this Agreement, the **"Subscriber Shortfall"** equals the number, if any, by which the aggregate of the Equivalent Basic Subscribers for the Systems, as of the Closing Time is less than 8,924."

6. Section 3.3.1. Section 3.3.1 of the Agreement is hereby amended and restated in its entirety to read as follows:

"3.3.1. Not later than a date Seller reasonably believes is at least five Business Days prior to the Closing, Seller will deliver to Buyer a report (the "Preliminary Adjustments Report"), showing in detail the good faith preliminary determination of the adjustments referred to in Section 3.2, which have been calculated as of the Closing Time (or as of any other date and time agreed by the parties) and appropriate documents substantiating the adjustments proposed in the Preliminary Adjustments Report. Buyer will have three Business Days following receipt of the Preliminary Adjustments Report to review such Report and supporting information and to notify Seller of any disagreements of Buyer with Seller's estimates. If Buyer provides a notice of disagreement (the "Disagreement Notice") with Seller's estimates of the adjustments referred to in Section 3.2 within such three Business Day period, Buyer and Seller will negotiate in good faith to resolve any such dispute and to reach an agreement prior to the Closing Date on such estimated adjustments as of the Closing Time. The basis for determining the Purchase Price to be paid at the Closing will be (a) the estimate so agreed upon by Buyer and Seller, (b) if the parties do not reach such an agreement on the estimated amount of the adjustments set forth in the Preliminary Adjustments Report prior to the Closing Date or if Buyer fails to provide a notice of disagreement with Seller's estimates of such adjustments within the requisite time provided, the estimates of such adjustments set forth in the Preliminary Adjustments Report."

7. HSR Matters. As a result of the amendments to the Agreement contemplated herein, including the reduction of the assets to be transferred and the corresponding reduction of the purchase price, the parties agree that no filing pursuant to the HSR Act is required at this time with respect the transactions contemplated by the Agreement, as amended. The parties agree to withdraw the filings the parties made under the HSR Act on May 8, 2001 (as supplemented on May 11, 2001) with respect to the transactions contemplated by the Agreement prior to this Amendment.

8. Section 6.11. The parties agree that there is no need to update the amended and restated Schedules attached to this Amendment and therefore Section 6.11 is hereby deleted from the Agreement.

9. Section 7.2.5. The phrase "53,040 (fifty-three thousand and forty) in Section 7.2.5 of the Agreement is hereby deleted and replaced with "7,662 (seven thousand six hundred sixty-two)":

10. Section 10.5. Section 10.5 of the Agreement is hereby amended and restated in its entirety to read as follows:

"10.5. Limitations on Indemnification — Seller. Seller and Charter Parent will not be liable, in the aggregate, for indemnification arising under Section 10.2(a) for any Losses of or to Buyer or any other person entitled to indemnification from Seller or Charter Parent unless the amount of such Losses for which Seller and Charter Parent would, but for the provisions of this Section 10.5, be liable exceeds, on an aggregate basis, $136,000 (one hundred thirty six thousand) (the **"Threshold Amount"**) provided that in determining whether the Threshold Amount has been exceeded, there will not be included any Losses arising from any single claim that is less than $10,000. If the Threshold Amount is exceeded, Seller and Charter Parent will be liable, jointly and severally, for the full amount of all Losses (including any single claims for Losses of less than $10,000), which amount will be due and payable within 15 days after the later of (a) the date Seller receives a statement therefor and (b) the date an Action with respect to such Losses is settled or decided in accordance with Section 10.4. Neither Seller nor Charter Parent will be liable for punitive damages assessed for Buyer's conduct. The maximum aggregate amount that Seller and its Affiliates (including Charter Parent) will be required to pay for indemnification arising under Section 10.2(a) of this Agreement is $2,700,000 (two million, seven hundred thousand dollars). Notwithstanding the preceding, neither the minimum nor maximum limits specified in this Section 10.5 will apply to: (i) the obligation to pay post-Closing adjustments pursuant to Section 3.3; (ii) Seller's breach of its representations and warranties that it has title to, and the absence of Encumbrances (other than Permitted Encumbrances) on, the Assets owned by Seller; or (iii) any indemnification claims pursuant to Section 10.2(b) or 10.2(c), irrespective of whether such claims also constitute claims under Section 10.2(a))."

11. Section 10.6. Section 10.6 of the Agreement is hereby amended and restated in its entirety to read as follows:

"10.6. Limitations on Indemnification — Buyer. Buyer will not be liable for indemnification arising under Section 10.3(a) for any Losses of or to Seller or any other person entitled to indemnification from Buyer unless the amount of such Losses for which Buyer would, but for the provisions of this Section 10.6, be liable exceeds, on an aggregate basis, the Threshold Amount, provided that in determining whether the Threshold Amount has been exceeded, there will not be included any Losses arising from any single claim that is less than $10,000 in the aggregate. If the Threshold Amount is exceeded, Seller will be liable for the full amount of all Losses (including any single claims for Losses of less than $10,000), which amount will be due and payable within 15 days after the later of (a) the date Buyer receives a statement therefor and (b) the date an Action with respect to such Losses is settled or decided in accordance with section 10.4. Buyer will not be liable for punitive damages assessed for Seller's conduct. The maximum aggregate amount that Buyer and its Affiliates will be required to pay for

indemnification arising under Section 10.3(a) of this Agreement in respect of all claims by all indemnified parties is $2,700,000 (two million, seven hundred thousand dollars). Notwithstanding the preceding, neither the minimum nor maximum limits specified in this Section 10.6 will apply to: (i) the obligation to pay the Purchase Price, as adjusted; (ii) the obligation to pay post-Closing adjustments pursuant to Section 3.3; (iii) Buyer's obligation to assume and perform the Assumed Obligations and Liabilities; or (iv) any indemnification claims pursuant to Section 10.3(b), 10.3(c) or 10.3(d), irrespective of whether such claims also constitute claims under Section 10.3(a))."

12. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

13. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

14. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

15. Opinions; Exhibits. The parties shall amend the Exhibits to the Agreement as appropriate to reflect this Amendment.

16. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

17. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

CHARTER COMMUNICATIONS, INC.

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

INTERLINK COMMUNICATIONS PARTNERS, LLC

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

CHARTER COMMUNICATIONS, LLC

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

FALCON CABLE MEDIA, a California limited partnership

By: Charter Communications VII, LLC, as general partner

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

TCI CABLEVISION OF MISSOURI, INC.

TCI CABLE PARTNERS OF ST. LOUIS, L.P.

By: Heritage Cablevision of Massachusetts, Inc.
Its: General Partner

Each By: /s/ Alfredo Di Blasio

Name: Alfredo Di Blasio
Title: Vice President

Exhibit A

Vehicle Certificates of Title

1FTCR10U9MUD71814
1FTCR10U7MUD71815
2FTPF17L9YCA02580
2FTPF17L3YCA02686
1GDJR34K2KJ509877

Exhibit 2.1(f)
Conformed Copy

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to Asset Purchase Agreement (this **"Amendment"**) is made and entered into as of this 30th day of June, 2001, between Charter Communications Entertainment I, LLC ("Charter"), on the one hand, and St. Louis Tele-Communications, Inc., TCI Cable Partners of St. Louis, L.P., TCI Cablevision of Missouri, Inc., TCI of Illinois, Inc., TCI TKR of Central Florida, Inc., and TCI Holdings, Inc. (collectively, the **"Parties"**), on the other.

Recitals

A. The Parties entered into an Asset Purchase Agreement **("Agreement")** as of the 26th day of February, 2001.

B. The parties to this Amendment wish to amend the Agreement, as more fully set forth herein.

Agreements

In consideration of the above recitals and the mutual agreements stated in this Amendment, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein, but not otherwise modified or defined herein, shall have the meanings ascribed to such terms in the Agreement.

2. Vehicle Title Certificates. Seller shall obtain and deliver to Buyer promptly after closing the vehicle title certificates and, if required, bills of sale, for the following vehicles described in Exhibit A-1 attached to this Amendment. At the time of the transfer by Seller to Buyer of the residential telephony services business pursuant to the Telephony Transfer Agreement, Seller shall obtain and deliver to Buyer the vehicle title certificates for the vehicles described in Exhibit A-2 attached to this Amendment. In addition, Seller will execute and deliver to Buyer, for no additional consideration and at no additional cost to Buyer, such certificates, bills of sale, or other documents as may be reasonably necessary to give full effect to transfer of vehicles required by the Agreement.

3. Copyright Filings. Seller hereby agrees to file, at its expense, all Copyright Statements of Account with respect to the Systems for the 2001/1 filing period as and when due under applicable law.

4. Schedules. Schedules 4.5, 4.6 and 4.7 to the Agreement are hereby amended and restated in their entirety, as of February 26, 2001 (except for changes made since such date in compliance with the Agreement), and as of the Closing, as set forth in Exhibit B attached to this Amendment.

5. Waiver of Conditions. Buyer hereby waives the condition to its obligation to consummate the transactions contemplated by the Agreement set forth in Section 7.2.8 of the Agreement.

6. Relationship to the Agreement. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect.

7. Choice of Law. This Amendment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the state of Delaware, without regard to the conflicts of laws rules of Delaware.

8. Counterparts. This Amendment may be executed in counterparts, each of which will be deemed an original. This Amendment will become binding when one or more counterparts, individually or taken together, bear the signatures of all parties to this Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission will constitute effective and binding execution and delivery of this Amendment.

[Signature Page Follows]

The parties have executed this Amendment as of the day and year first above written.

Charter Communications Entertainment I, LLC, a Delaware limited liability company

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

SELLER

St. Louis Tele-Communications, Inc., a Missouri corporation

TCI Cable Partners of St. Louis, L.P., a Colorado limited partnership

By: Heritage Cablevision of Massachusetts, Inc., its general partner

TCI Cablevision of Missouri, Inc., a Missouri corporation

TCI of Illinois, Inc., an Illinois corporation

TCI TKR of Central Florida, Inc., a Florida corporation

TCI Holdings, Inc., a Delaware corporation

Each By: /s/ Alfredo Di Blasio

Alfredo Di Blasio,
Authorized Signatory

**[Signature Page to FIRST AMENDMENT TO
ASSET PURCHASE AGREEMENT]**

Exhibit A-1

Vehicle Certificates of Title

1GTEC14H6RE542030
1FDXF46S2YED42637
1FDXF46S7YED42634
1FDXF46S4YED42641
1FDXF46S9YED42635
1GTEC14H0SZ515462
1GTEC14H0XA515162
1GTDM19W4YB517966
1GTDM19W5YB517927
1GTEK14W1YE336260
1GTEK14W2YE339605
1GTEK14W6YE338537
1GKDT13W712118474
1GTEC14H5ME512977
1GTEC14M2TZ516926
1GTEC14W2YE338094
1GDJC34U61F142521
1GCDM15Z6MB150045
1FTFE24YXKHB56610
1B6HL26X7RW114506
1B7HC16X1RS661669
1B7GL26X1SS275521
1B7GL26X4SS278218
1B7GL26X3SS275522
1B7GL26X6SS278219
1FTEF15Y3TLB82336
1FTHE24Y4THB31244
1FTHE24Y2THB31243
1FTHE2424VHB06147
1FTHE2422VHB06146
1FTFE24Y0JHB96645
1FTFE24Y6KHC02921
1FTJE34H8LHA55406

Exhibit 2.1(f)
Conformed Copy

Exhibit A-2

Vehicle Certificates of Title (Telephony Vehicles)

1G2NF52F6YC529011
1GCFG15R4Y1130968
1GTEC14W6YZ132351
1FTRF17LXYKA51842
1FTRF17L0YKA51865
1GCFG15WXY1115901
1GCHG35R3Y1106410
1GTEC14V4XE554891
1GCHG35RXY1103567
1GTGG25WXY1103998
1GCHG35R2Y1104745
1GTGG25W8Y1105720
1GCEG15W3Y1101768
1GTGG25W1Y1103968
1GTGG25W7Y1103912
1GCHG35R7Y1103722
1GTGG25W7Y1104641
1GCHG35R5Y1105534
1GTGG25W2Y1103865
1GTGG25W5Y1105531
1GNDT13W6Y2173690
1GTGG25W7Y1105563
1GTGG25W8Y1106172
1GCFG15W2Y1100972
1GTGG25W9Y1108195
1GTGG25W0Y1106022
1GTGG25W3Y1108130

Exhibit B

Amended Schedules 4.5, 4.6, and 4.7

Attached

Exhibit 2.1(g)
Conformed Copy

First Amendment to
Agreement Regarding Closing Matters

This First Amendment to Agreement Regarding Closing Matters ("Amendment") is entered into among Charter Communications, Inc., on behalf of the Charter Entities, and AT&T Broadband, LLC, on behalf of the AT&T Entities, as of June 30, 2001.

Recitals

The parties have previously entered into an Agreement Regarding Closing Matters (the "Agreement") as of February 26, 2001. The parties are entering into this Amendment in order to amend certain provisions of the Agreement.

Agreement

For valuable consideration, the parties agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment will have the meanings ascribed to them in the Agreement.

2. Amendment of Sections 5 – 11 of Agreement. Sections 5 through 11 of the Agreement are hereby deleted and replaced in their entirety by the following provisions:

"5. Timing of Transactions.

(a) The closing under each of the Acquisition Agreements will occur June 30, 2001. Except as provided in Section 6 below, the parties will make all payments required to be made at closing under each Acquisition Agreement to the Escrow Agent described in the Escrow Agreement attached to this Amendment as Exhibit 1.

(b) The closing of the transactions contemplated by the Florida Agreement (the "Florida Closing") and the St. Louis Closing will occur simultaneously, on June 30, 2001.

6. Qualified Intermediary.

(a) The parties to the St. Louis Agreement agree that TCI Cable Partners of St. Louis, L.P., a Colorado limited partnership ("TCI-St. Louis") shall assign (a "Deferred Assignment") its rights to all of the Assets (as defined in the St. Louis Agreement) located in the Service Areas described in Exhibit 2 to this Amendment (the "Deferred Sale Communities") and its rights to receive the portion of the St. Louis Purchase Price allocable thereto (the "Deferred Amount") to a "qualified intermediary" as defined in Treasury Regulations Section 1.1031(k)-1(g)(4) (an "AT&T Qualified Intermediary") engaged by the AT&T Entities to satisfy the deferred like-

kind exchange provisions of Section 1031 of the Code (the "Deferred Exchange Provisions"). TCI St. Louis has provided the Charter Entities with a copy of such assignment. This Amendment constitutes written instructions to the Charter Entities that the Deferred Amount should be paid directly to the AT&T Qualified Intermediary described on Exhibit 3 to this Amendment at the time of the closing pursuant to the St. Louis Agreement ("St. Louis Closing") pursuant to the written wire transfer instructions for such AT&T Qualified Intermediary set forth on Exhibit 3. The foregoing assignment shall not (i) limit or abrogate in any respect the obligations of TCI-St. Louis pursuant to the St. Louis Agreement; (ii) impair the Charter Entities' rights and remedies under the St. Louis Agreement (including the Charter Entities' rights to indemnification and to the assurances provided by TCI-St. Louis' representations and warranties); (iii) increase the Charter Entities' obligations or liability under the St. Louis Agreement or result in any additional cost, expense or liability to the Charter Entities; (iv) require the Charter Entities to take title to any property other than the Assets (as defined in the St. Louis Agreement). TCI St. Louis hereby agrees to indemnify, defend and hold the Charter Entities harmless, without limitation, from and against any and all Losses (as defined in the St. Louis Agreement) threatened against, suffered or incurred by the Charter Entities by reason of any such cooperation and/or TCI-St. Louis' attempt at exchange treatment.

(b) The Charter Entities shall have no liability or obligations to any AT&T Entity or any third-party arising from any amounts wired to an AT&T Qualified Intermediary pursuant to this Section 6, provided that the Charter Entities comply with the written instructions of the AT&T Entities provided pursuant to Section 6(a).

7. Identification of Deferred Assets.

The Charter Entities and the AT&T Entities will negotiate in good faith to (i) reach agreement as to assets (the "Deferred Assets") with an aggregate value of at least $180 million owned by a Charter Entity or any affiliate(s) thereof ("Charter Seller") to correspond to the St. Louis Assets sold by TCI St. Louis pursuant to the St. Louis Agreement for purposes of the Deferred Exchange Provisions and (ii) enter into an asset purchase agreement covering such Deferred Assets (the "Deferred Agreement") within 60 days after the St. Louis Closing (which the parties expect shall be substantially in the form of the Florida Agreement). The parties expect that the Deferred Agreement will provide that the parties thereto will use commercially reasonable efforts to consummate the transactions contemplated by such agreement within 180 days after the St. Louis Closing (provided the Deferred Agreement is executed within 50 days following the St. Louis Closing). If the parties enter into the Deferred Agreement, such Deferred Agreement shall provide that Charter Seller may assign its right pursuant to the Deferred Agreement to receive the purchase price to be paid by TCI-St. Louis pursuant to the Deferred Agreement (the "Deferred

Purchase Price") to a "qualified intermediary" as defined in Treasury Regulations Section 1.1031(k)-1(g)(4) (a "Charter Qualified Intermediary") engaged by Charter Seller to satisfy the Deferred Exchange Provisions. If, after negotiations, the parties are unable to reach agreement, in their sole respective discretion, with respect to all aspects of the Deferred Agreement, then the parties shall have no further obligations pursuant to this Section 7. The Charter Entities shall have no liability if the exchange of the Deferred Assets for the assets described in Section 6(a) does not qualify as a tax-deferred exchange under the Deferred Exchange Provisions.

8. St. Louis and Florida Closings.

In connection with the St. Louis Closing and the Florida Closing, (i) the cash consideration that the AT&T Entities are entitled to receive and that Charter Communications Entertainment I, LLC ("CCEI") is obligated to pay as the purchase price (as preliminarily adjusted as of the St. Louis Closing, the "St. Louis Purchase Price") for the assets to be transferred under the St. Louis Agreement (the "St. Louis Assets"), will be reduced (such reduction to come from the portion of the St. Louis Purchase Price allocable to TCI Missouri) by the amount of the purchase price (as preliminarily adjusted as of the Florida Closing, the "Florida Purchase Price") TCI Missouri is obligated to pay for the assets to be transferred under the Florida Agreement (the "Florida Assets") and TCI Missouri will not be obligated to pay the Florida Purchase Price. All subsequent adjustments with respect to the purchase price for the Florida Assets and the St. Louis Assets shall be paid in cash by the appropriate Charter Entities or AT&T Entities pursuant to the terms of the St. Louis Agreement and the Florida Agreement.

9. Section 1031 Intent and Mechanics with respect to Florida and St. Louis. The exchanges of assets pursuant to Section 8 are intended to qualify, to the extent reasonably possible as a tax free exchange of like-kind assets under Section 1031 of the Code (the "Exchanges"). The AT&T Entities and the Charter Entities agree to use all reasonable efforts to structure the Exchanges in such a way that to the extent reasonably possible it will be a tax free exchange of like-kind assets under Section 1031 of the Code.

(a) Method of Exchange. The Exchanges described in Section 8 are to occur as follows: (i) the AT&T tangible personal property and the Charter tangible personal property are being exchanged each for the other; (ii) AT&T's Real Property (as defined in the St. Louis Agreement) owned by TCI Missouri and Charter's Real Property (as defined in the Florida Agreement) are being exchanged each for the other; and (iii) AT&T's Contracts, Franchises, Licenses and Intangibles (each as defined in the St. Louis Agreement) owned by TCI Missouri and Charter's Contracts, Franchises, Licenses and Intangibles (each as defined in the Florida Agreement) are being exchanged each for the other. In each case, the assets described in this Section 9(a) shall be exchanged each for the other in

"Exchange Groups" as defined under Treasury Regulations Sections 1.1031(a)-2 and 1.1031(j)-1, and in each case to the maximum extent permitted by Section 1031 of the Code and the regulations promulgated thereunder. Liabilities assumed or taken subject to by each party are being exchanged each for the other to the maximum extent permitted under Section 1031 of the Code and regulations thereunder.

(b) Calculation of Gross Values. For the purposes of this Agreement, the gross value of AT&T's Assets (as defined in the St. Louis Agreement) comprising the Systems (as defined in the St. Louis Agreement) which are being transferred by TCI Missouri is $238,155,604, as adjusted pursuant to the St. Louis Agreement and the gross value of FCM's Assets (as defined in the Florida Agreement) comprising the Systems (as defined in the Florida Agreement) which are being transferred to TCI Missouri is $27,042,000, as adjusted pursuant to the Florida Agreement.

(c) Allocation of Value. Following each of the St. Louis Closing and the Florida Closing, the Parties shall use reasonable good faith efforts to agree on the value to be allocated to the tangible personal property and real property included in the Assets pursuant to Treasury Regulations relating to like-kind exchanges of multiple assets under Section 1031 of the Code. In the event the Parties fail, within 90 days after such Closing, to reach agreement on the allocation of value, then the Parties shall hire an appraiser (the "Appraiser") to prepare with respect to this Agreement, not later than 120 days after such Closing, a written report regarding the value to be allocated to the tangible personal property and real property included in the Assets pursuant to Treasury Regulations relating to like-kind exchanges of multiple assets under Section 1031 of the Code. The fees of the Appraiser will be split equally between the Parties. The Parties agree that for purposes of Sections 1031 and 1060 of the Code and the regulations thereunder, each will report the transactions contemplated by this Agreement in accordance with the values determined by this Section 9(c). Each party promptly will give the other notice of any disallowance or challenge of asset values by the Internal Revenue Service or any state or local tax authority.

10. [Intentionally omitted]

11. [Intentionally omitted]"

3. Miscellaneous. This Amendment supersedes any inconsistent provisions contained in the Agreement. Except as amended hereby, the Agreement remains in full force and effect. This Amendment will be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of law. This Amendment may be executed in one or more counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. This Amendment has been negotiated by the parties hereto and their respective legal counsel, and legal or equitable principles that might require the construction of this Amendment

or any provision of this Amendment against the party drafting this Amendment will not apply in its construction or interpretation.

[Signature Page Follows]

The parties are signing this First Amendment to Agreement Regarding Closing Matters as of the date first written above.

AT&T BROADBAND, LLC
on behalf of the AT&T Entities

By: /s/ Alfredo Di Blasio

Name: Alfredo Di Blasio
Title: Vice President

CHARTER COMMUNICATIONS, INC.
on behalf of the Charter Entities

By: /s/ Marcy Lifton

Name: Marcy Lifton
Title: Vice President

Exhibit 1

Escrow Agreement

Exhibit 2

Deferred Sale Communities

System	Headend	Communities Served
ILLINOIS		
Belleville, IL	Belleville, IL	City of Bellville Caseyville Township Fairview Heights City of O'Fallon O'Fallon Township Stookey Township Village of Swansea
	Scott AFB	Village of Albers Village of Aviston Clinton County Village of Damiansville Village of Freeburg Town of Lebanon City of Mascoutah Village of New Baden Scott Air Force Base Town of Shiloh St. Clair County Village of Summerfield City of Trenton
MISSOURI		
Overland, MO	Lake St. Louis, MO	Village of Dardenne Prairie City of Flint Hill Town of Lake St. Louis City of O'Fallon St. Charles County Village of St. Paul Village of Weldon Spring Village of Weldon Spring Heights City of Wentzville
	Maryland Heights [in Dunwood], MO	City of Chesterfield City of Creve Coeur City of Hazelwood St. Louis County City of Maryland Heights

Exhibit 3.1
Conformed Copy

Certificate of Correction

of

Certificate of Designation

Charter Communications, Inc.
a Delaware corporation

Charter Communications, Inc., a Delaware corporation (the "Company"), pursuant to Section 103(f) of the Delaware General Corporation Law, hereby certifies as follows:

1. The Certificate of Designation of Series A Convertible Redeemable Preferred Stock of Charter Communications, Inc. filed with the Delaware Secretary of State on August 31, 2001, is an inaccurate record of the corporate action referred to therein.

2. Paragraph 1 on page 1 entitled "Designation and Amount" of the Certificate of Designation of Series A Convertible Redeemable Preferred Stock of the Company inaccurately designates such series as "Series A Convertible Preferred Stock."

3. Paragraph 1 on page 1 entitled "Designation and Amount" of the Certificate of Designation of Series A Convertible Redeemable Preferred Stock of the Company, in correct form, should read in its entirety as follows:

"1. Designation and Amount. There is hereby designated a series of shares of Preferred Stock consisting of 1,000,000 shares designated "Series A Convertible Redeemable Preferred Stock" (the **"Series A Preferred Stock")."**

IN WITNESS WHEREOF, the Company has caused this Certificate of Correction to be signed by its Vice President this 5th day of September, 2001.

/s/ Marcy Lifton

Marcy Lifton, Vice President

Exhibit 3.1
Conformed Copy

CERTIFICATE OF DESIGNATION OF
SERIES A CONVERTIBLE REDEEMABLE PREFERRED STOCK
OF
CHARTER COMMUNICATIONS, INC.

Charter Communications, Inc. (hereinafter called the **"Corporation"**), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the Corporation is Charter Communications, Inc.

2. The certificate of incorporation of the Corporation authorizes the issuance of 250,000,000 shares of Preferred Stock, $.001 par value, and expressly vests in the Board of Directors of the Corporation the authority provided therein to provide for the issuance of said shares in series and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations, or restrictions thereof.

3. The Board of Directors of the Corporation, pursuant to the authority expressly vested in it as aforesaid, has adopted the following resolutions creating a "Series A Convertible Redeemable" series of Preferred Stock:

RESOLVED, that one series of the class of authorized Preferred Stock of the Corporation be and hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

SERIES A CONVERTIBLE PREFERRED STOCK

1. Designation and Amount. There is hereby designated a series of shares of Preferred Stock consisting of 1,000,000 shares designated "Series A Convertible Preferred Stock" (the **"Series A Preferred Stock"**).

2. Dividends.

(a) The holders of shares of Series A Preferred Stock shall be entitled to receive with respect to each share of Series A Preferred Stock, when, as and if declared by the Board of Directors, out of funds legally available for the payment of dividends, dividends at a rate per annum equal to Five and Three Quarters Percent (5.75%) of the Liquidation Preference per share, payable in cash, in accordance with the terms of this Section 2, and subject to increase as provided for in Section 2(b), (the **"Dividend Rate"**). Such dividends shall be cumulative from the first date of issuance of shares of Series A Preferred Stock (the **"Issue Date"**) regardless of when actually issued, whether or not in any Dividend Period or Dividend Periods (as defined below) there shall be funds of the Corporation legally available for the payment of such dividends, and shall be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year (unless such day is not a Business Day, in which event such dividends shall be payable on the next succeeding Business Day) (each such date being a **"Dividend Payment Date"** and

each such quarterly period being a **"Dividend Period"**). Each such dividend shall be payable to the holders of record of shares of the Series A Preferred Stock as they appear on the share register of the Corporation on the corresponding Record Date. As used herein, the term **"Record Date"** means, with respect to the dividend payable on March 31, June 30, September 30 and December 31, respectively of each year, the preceding March 15, June 15, September 15 and December 15, or such other record date, not more than 60 days or less than 10 days preceding the payment dates thereof, as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such record date, not more than 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) If for any reason the Corporation fails to make payment of all then accrued dividends on any Dividend Payment Date, the Dividend Rate with respect to Dividends accruing from and after such Dividend Payment Date shall be increased to Seven and Three Quarters Percent (7.75%) per annum. Such increase in the Dividend Rate shall continue in effect until such time as the Corporation cures such failure to make payment of all accrued dividends, at which time the Dividend Rate with respect to dividends accruing from and after the date of such cure shall be reduced to Five and Three Quarters Percent (5.75%) per annum.

(c) The amount of dividends payable for each full Dividend Period for the Series A Preferred Stock shall be computed by dividing the annual Dividend Rate (as appropriately adjusted as required by Section 2(b) hereto) rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series A Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of shares of Series A Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series A Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A Preferred Stock that may be in arrears; provided that if dividends are not paid in full on any Dividend Payment Date, dividends will cumulate as if the unpaid dividends were payable in cash and the Liquidation Preference had been increased by the amount of unpaid dividends until paid.

(d) Holders of shares of Series A Preferred Stock shall be entitled to share equally (on an as converted basis) in all such dividends declared upon the Series A Preferred Stock.

(e) So long as any shares of the Series A Preferred Stock are outstanding, no dividend, except as described in the next succeeding sentence, shall be declared or paid or set apart for payment on any Parity Stock, nor shall any Parity Stock be redeemed, purchased or otherwise acquired for any consideration. When dividends are not paid in full or consideration sufficient for such payment is not set apart, as aforesaid, all dividends declared upon shares of the Series A Preferred Stock and all dividends declared upon any class of stock ranking on liquidation on a parity with the Series A Preferred Stock (such Preferred Stock ranking on liquidation on parity with the Series A Preferred Stock being referred to as **"Parity Stock"**) shall be declared ratably in proportion to the respective

amounts of dividends accumulated and unpaid on the Series A Preferred Stock and accumulated and unpaid on such Parity Stock.

(f) So long as any shares of the Series A Preferred Stock are outstanding, no dividends (other than dividends or distributions paid in shares of, or to effectuate a stock split on, or options, warrants or rights to subscribe for or purchase shares of, any other stock ranking on liquidation junior to the Series A Preferred Stock ("Junior Stock")) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of the Corporation's Class A Common Stock **("Common Stock")** for purposes of an employee incentive or benefit plan of the Corporation or any subsidiary) (any such dividend, distribution, redemption or purchase being hereinafter referred to as a "Junior Stock Distribution") for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Stock), unless in each case the full cumulative dividends on all outstanding shares of the Series A Preferred Stock and accrued and unpaid dividends on any other Parity Stock shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series A Preferred Stock and all past dividend periods with respect to such Parity Stock and sufficient consideration shall have been paid or set apart for the payment of the dividend for the current Dividend Period with respect to the Series A Preferred Stock and the current dividend period with respect to such Parity Securities.

3. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding, on a pro rata basis with the holders of any Parity Stock then outstanding, shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any Preferred Stock of the Corporation ranking on liquidation prior and in preference to the Series A Preferred Stock (such Preferred Stock that is senior to the Series A Preferred Stock being referred to hereinafter as **"Senior Stock"**) upon such liquidation, dissolution or winding up, but before any payment shall be made to the holders of Common Stock or other Junior Stock, an amount equal to the sum of (i) $100 per share (the **"Liquidation Preference"**) (subject to adjustment in the event of any stock dividend, stock split, stock distribution or combination with respect to such shares), and (ii) the amount of all declared but unpaid dividends on the Series A Preferred Stock. If upon any such liquidation, dissolution or winding up of the Corporation, the remaining assets of the Corporation available for the distribution to its stockholders after payment in full of amounts required to be paid or distributed to holders of any other Senior Stock shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series A Preferred Stock, and any Parity Stock, shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable with respect to the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full. Except as set forth in this clause (a), holders of shares of Series A Preferred

Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the Corporation.

(b) The merger or consolidation of the Corporation with or into any other corporation or entity, or the sale or conveyance of all or substantially all the assets of the Corporation, shall not be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 3.

4. Voting.

(a) General. Except as specifically set forth in the General Corporation Law of the State of Delaware or provided in the balance of this Section 4, the holders of shares of the Series A Preferred Stock shall not be entitled to any voting rights with respect to any matters voted upon by stockholders.

(b) Voting by Class on Certain Matters. So long as any shares of the Series A Preferred Stock are outstanding, the Company shall not amend its Certificate of Incorporation or Bylaws, without the written consent or the affirmative vote at a meeting called for that purpose of the holders of a majority of the votes of the shares of Series A Preferred Stock then outstanding, voting separately as a class, so as to (i) amend, alter or repeal any of the provisions of any resolution or resolutions establishing the Series A Preferred Stock so as to affect adversely the powers, preferences or special rights of such Series A Preferred Stock or (ii) authorize the issuance of, or authorize any obligation or security convertible into or evidencing the right to purchase shares of, any additional class or series of Senior Stock. Without limiting any of the foregoing, the Corporation shall have the right to issue any additional class or series of Parity Stock or Junior Stock without any approval of the shares of Series A Preferred Stock then outstanding.

5. Conversion Rights.

(a) Exercise of Conversion Rights. Each holder of Series A Preferred Stock shall have the right, at its option, at any time beginning with that date which is six (6) months after the Closing (as defined in that certain Agreement and Plan of Merger and Asset Purchase Agreement as of March 14, 2001, by and among Charter Communications, Inc. and Cable USA, Inc. (the **"Merger Agreement"**)) and ending with that date which is seven (7) years after the Closing, to convert, subject to the terms and provisions of this Section 5, all or any portion of its Series A Preferred Stock then outstanding into such number of fully paid and non-assessable shares of Common Stock as results from dividing (i) the sum of (A) the aggregate Liquidation Preference of all shares of Series A Preferred Stock to be converted plus (B) any declared but unpaid dividends on such shares, by (ii) the applicable Conversion Price (as defined in Section 6 below) on the Conversion Date (as defined below). Such conversion shall be deemed to have been made at the close of business on the date that the certificate or certificates for shares of Series A Preferred Stock shall have been surrendered for conversion in accordance with this Section 5 and written notice shall have been received as provided in Section 5(b) (the **"Conversion Date"**), so that the person or persons entitled to receive the shares of Common Stock upon conversion of such shares of Series A Preferred Stock shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time and such conversion shall be at the

Conversion Price in effect at such time. Upon conversion of any shares of Series A Preferred Stock pursuant to this Section 5, the rights of the holder of such shares upon the Conversion Date shall be the rights of a holder of Common Stock only, and each such holder shall not have any rights in its former capacity as a holder of shares of Series A Preferred Stock.

(b) Notice to the Corporation. In order to convert all or any portion of its outstanding Series A Preferred Stock into shares of Common Stock, the holder of such Series A Preferred Stock shall deliver the shares of Series A Preferred Stock to be converted to the Corporation at its principal office, together with written notice that it elects to convert those shares of Series A Preferred Stock into shares of Common Stock in accordance with the provisions of this Section 5. Such notice shall specify the number of shares of Series A Preferred Stock to be converted and the name or names in which the holder wishes the certificates for shares of Common Stock to be registered, together with the address or addresses of the person or persons so named, and, if so required by the Corporation, shall be accompanied by a written instrument or instruments of transfer in form reasonably satisfactory to the Corporation, duly executed by the registered holder of the shares of Series A Preferred Stock to be converted or by its attorney duly authorized in writing.

(c) Delivery of Certificate. As promptly as practicable after the surrender as hereinabove provided of shares of Series A Preferred Stock for conversion into shares of Common Stock, the Corporation shall deliver or cause to be delivered to the holder, or the holder's designees, certificates representing the number of fully paid and non-assessable shares of Common Stock into which the shares of Series A Preferred Stock are entitled to be converted, together with a cash adjustment in respect of any fraction of a share to which the holder shall be entitled as provided in Section 5(d), and, if less than the entire number of shares of Series A Preferred Stock represented by the certificate or certificates surrendered is to be converted, a new certificate for the number of shares of Series A Preferred Stock not so converted. So long as any shares of Series A Preferred Stock remain outstanding, the Corporation shall not close its Common Stock transfer books. The issuance of certificates for shares of Common Stock upon the conversion of shares of Series A Preferred Stock shall be made without charge to the holder for any tax in respect of the issuance of such certificates (other than any transfer, withholding or other tax if the shares of Common Stock are to be registered in a name different from that of the registered holder of Series A Preferred Stock).

(d) Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares of Common Stock shall be issued upon any conversion of any shares of Series A Preferred Stock, but, in lieu thereof, there shall be paid an amount in cash equal to the same fraction of the Liquidation Preference.

(e) Reservation of Shares. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of shares of Series A Preferred Stock, the full number of whole shares of Common Stock then deliverable upon the conversion of all shares of Series A Preferred Stock then outstanding. The Corporation shall take at all times such corporate action as shall be necessary in order that the Corporation may validly and legally issue fully

paid and non-assessable shares of Common Stock upon the conversion of shares of Series A Preferred Stock in accordance with the provisions of this Section 5.

(f) Shares Validly Issued and Non-Assessable. All shares of Common Stock that may be issued upon conversion of the Series A Preferred Stock shall upon issuance by the Corporation be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

(g) Retirement of Shares. Any shares of Series A Preferred Stock converted pursuant to the provisions of this Section 5 shall be retired and given the status of authorized and unissued Preferred Stock, undesignated as to series, subject to reissuance by the Corporation as shares of Preferred Stock of one or more series, as may be determined from time to time by the Board.

(h) Minimum Number of Shares of Series A Preferred Stock to be Converted. Each holder may only surrender shares of Series A Preferred Stock for conversion to Common Stock pursuant to Section 5 if the sum of the aggregate Liquidation Preference of such shares of Series A Preferred Stock to be converted exceeds $1,000,000; *provided, however,* that, notwithstanding this Section 5(h), if the aggregate Liquidation Preference of all Shares of Series A Preferred Stock held by such holder of Series A Preferred Stock is less than $1,000,000, such holder of Series A Preferred Stock may surrender all, but not less then all, of its shares of Series A Preferred Stock for conversion to Common Stock pursuant to this Section 5.

(i) Automatic Conversion.

(1) Transfer of Shares. In the event that a holder of shares of Series A Preferred Stock desires to transfer some or all of such shares other than to an Affiliate (as defined in the Merger Agreement), each share of Series A Preferred Stock so transferred shall automatically convert into the number of fully paid and non-assessable shares of Common Stock into which such share is then convertible pursuant to Section 6 hereof automatically and without further action, immediately upon the transfer of such shares; provided that the mortgage, pledge or other encumbrance of shares of the Series A Preferred Stock by a holder thereof to one or more banks, insurance companies or other financial institutions (each, a **"Lender"**) shall not trigger the conversion of such shares until such Lender forecloses on such shares, if ever.

(2) Mechanics of Conversion. Upon the occurrence of the events specified above, the outstanding shares of Series A Preferred Stock shall automatically convert without any further action by the holders of such shares or the Corporation whether the certificates evidencing such shares are surrendered to the Corporation or its transfer agent, and the holders of such converted shares shall surrender the certificates formerly representing such shares at the office of the Corporation or of any transfer agent for Common Stock. Thereupon, there shall be issued and delivered to each such holder, promptly at such office and in his, her or its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which such shares of Series A Preferred Stock were so converted and cash as provided in Section 5(d) above in respect of any fraction of a share of Common Stock issuable upon

such conversion. The Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless and until certificates evidencing such shares of Series A Preferred Stock are either delivered to the Corporation or its transfer agent, as hereinafter provided, or the holder thereof notifies the Corporation or such transfer agent that such certificates have been lost, stolen, or destroyed and executes and delivers an agreement to indemnify the Corporation from any loss incurred by it in connection therewith.

6. Conversion Price. As used herein, the **"Conversion Price"** for the Series A Preferred Stock shall initially be $24.71 per share of Common Stock, subject to adjustment as set forth below. The Conversion Price shall be subject to adjustment from time to time as follows:

(a) Stock Dividends, Subdivisions, Reclassifications or Combinations. If the Corporation shall (i) declare a dividend or make a distribution on its Common Stock in shares of its Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Conversion Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the holder of any shares of Series A Preferred Stock surrendered for conversion after such date shall be entitled to receive the number of shares of Common Stock which such holder would have owned or been entitled to receive had such shares of Series A Preferred Stock been converted immediately prior to such date. Successive adjustments in the Conversion Price shall be made whenever any event specified above shall occur.

(b) Other Distributions. In case the Corporation shall fix a record date for the making of a distribution to all holders of shares of its Common Stock (i) of shares of stock of any class other than its Common Stock, (ii) of evidence of indebtedness of the Corporation or any subsidiary of the Corporation, (iii) of assets, or (iv) of rights or warrants, then in each such event provisions shall be made so that the holders of the Series A Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of (i) shares of such other class than the Company's stock, (ii) evidence of indebtedness of the Corporation or any subsidiary of the Corporation, (iii) assets, or (iv) rights or warrants, as applicable, that they would have received had their shares of Series A Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this under this Certificate of Designation with respect to the rights of the holders of the Series A Preferred Stock.

(c) Consolidation, Merger, Sale, Lease or Conveyance or Reclassifications or Reorganizations. In case the Corporation shall at any time after the date of issuance of the Series A Preferred Stock consolidate with, or merge with or into, any other corporation or entity or engage in any reorganization, recapitalization, sale of all or substantially all of the Corporation's assets to any entity or any other transaction which is effected in such a manner that the holders of Common Stock or Series A Preferred Stock

are entitled to receive stock, securities or assets with respect to or in exchange for the Common Stock or Series A Preferred Stock, then each share of Series A Preferred Stock shall after the date of such consolidation, merger, sale, lease or conveyance or such reclassification, reorganization or other change be convertible into the number of shares of stock or other securities or property (including cash) to which the Common Stock issuable (at the time of such consolidation, merger, sale, lease or conveyance or such reclassification, recapitalization or other change) upon conversion of such share of Series A Preferred Stock would have been entitled upon such consolidation, merger, sale, lease or conveyance or such reclassification, recapitalization or other change; and if the applicable event does not constitute a Change in Control, the provisions set forth in this Section 6 with respect to the rights and interests thereafter of the holders of the shares of Series A Preferred Stock shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to any shares of stock or other securities or property thereafter deliverable on the conversion of the shares of Series A Preferred Stock.

(d) Notice to Holders. In the event the Corporation shall propose to take any action of the type described in subsections (a), (b) or (c) of this Section 6, the Corporation shall give notice to each holder of shares of Series A Preferred Stock, which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action on the Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of shares of Series A Preferred Stock. In the case of any action which would require the fixing of a record date, such notice shall be given at least 15 days prior to the date so fixed, and in the case of all other action, such notice shall be given at least 20 days prior to the taking of such proposed action.

(e) Statement Regarding Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Series A Preferred Stock pursuant to this Section 6, the Corporation shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. Each such statement shall be signed by the Corporation’s Chief Financial Officer.

(f) Treasury Stock. For the purposes of this Section 6, the sale or other disposition of any Common Stock theretofore held in the Corporation’s treasury shall be deemed to be an issuance thereof.

(g) Stockholder Approval. Notwithstanding any other provision in this Section 6 to the contrary, no adjustment (other than as set forth in this Section 6(g)) shall be made in the Conversion Price prior to the receipt by the Corporation of any requisite stockholder approval required by the rules of the National Association of Securities Dealers, Inc., if such rules are applicable to such adjustment. If such rules are applicable, (i) the Conversion Price shall immediately be adjusted to the maximum extent as would not require stockholder approval under such rules and (ii) the Corporation shall use its commercially reasonable efforts to obtain such stockholder approval as soon as reasonably practicable,

including by calling a special meeting of stockholders to vote on such Conversion Price adjustment.

7. Good Faith. The Corporation shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Certificate of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the conversion and other rights of the holders of the shares of Series A Preferred Stock against impairment of any kind.

8. Redemption Rights.

(a) The Series A Preferred Stock shall not be redeemable by the Corporation prior to that date which is three (3) years after the Closing (the **"First Call Date"**). On and after the First Call Date, to the extent the Corporation shall have funds legally available for such payment, the Corporation may redeem at its option shares of Series A Preferred Stock, at any time in whole or from time to time in part, at a redemption price per share equal to the Liquidation Preference, plus accrued and unpaid dividends thereon to the date fixed for redemption (the **"Redemption Price"**).

(b) Upon the date that is seven (7) years after the Closing (the **"Maturity Date"**), all then outstanding shares of Series A Preferred Stock shall be redeemed by the Corporation at a redemption price per share equal to the Redemption Price.

(c) The Company shall redeem in full the Series A Preferred Stock, at the Redemption Price, on the date of the occurrence of a Change of Control. **"Change of Control"** means a reorganization, merger, consolidation or other transaction or transactions (whether or not the Company is a party thereto and specifically including, without limitation, open market purchases of securities) as a result of which any person or entity or "group" of persons and/or entities becomes the "beneficial owner" (as those terms are defined in and construed by judicial authority under Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, as that Rule may be amended from time to time) of Common Stock or options, warrants or other rights to acquire Common Stock or and Convertible Securities representing in the aggregate at least 50% of the ordinary voting power of the Company in the election of directors.

(d) Shares of Series A Preferred Stock which have been issued and reacquired in any manner, including shares purchased or redeemed, shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized and unissued shares of the class of Preferred Stock undesignated as to series and may be redesignated and reissued as part of any series of the Preferred Stock; provided that no such issued and reacquired shares of Series A Preferred Stock shall be reissued or sold as Series A Preferred Stock.

9. Procedure for Redemption.

(a) In the event that fewer than all the outstanding shares of Series A Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be selected by lot or pro rata (with any fractional shares being rounded to the nearest whole share) as may be determined by the Board of Directors.

(b) In the event the Corporation shall redeem shares of Series A Preferred Stock, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed at such holder's address as the same appears on the stock register of the Corporation; provided that neither the failure to give such notice nor any defect therein shall affect the validity of the giving of notice for the redemption of any share of Series A Preferred Stock to be redeemed except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. Each such notice shall state: the redemption date (which shall be a date on or after the First Call Date); the number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of shares to be redeemed from such holder; the redemption price; the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and that dividends on the shares to be redeemed will cease to accrue on such redemption date.

(c) Notice having been mailed as aforesaid, from and after the redemption date, dividends on the shares of Series A Preferred Stock so called for redemption shall cease to accrue, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the redemption price) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such share shall be redeemed by the Corporation at the redemption price aforesaid. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

FURTHER RESOLVED, that the statements contained in the foregoing resolutions creating and designating the said Series A Convertible issue of Preferred Stock and fixing the number, powers, preferences and relative, optional, participating, and other special rights and the qualifications, limitations, restrictions, and other distinguishing characteristics thereof shall, upon the effective date of said series, be deemed to be included in and be a part of the certificate of incorporation of the Corporation pursuant to the provisions of Sections 104 and 151 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Corporation has caused this Certificate to be signed by its Senior Vice President, the 31st day of August, 2001. The signature below shall constitute the affirmation or acknowledgment of the signatory that the instrument is the act and deed of the Corporation and that the facts stated herein are true.

/s/ Curtis S. Shaw

Curtis S. Shaw
Senior Vice President

Exhibit 3.2

Adopted as of November 5, 1999

AMENDED AND RESTATED BYLAWS
OF
CHARTER COMMUNICATIONS, INC.

ARTICLE I.
OFFICES

SECTION 1.1 Delaware Office. The office of Charter Communications, Inc. (the "Corporation") within the State of Delaware shall be in the City of Dover, County of Kent.

SECTION 1.2 Other Offices. The Corporation may also have an office or offices and keep the books and records of the Corporation, except as otherwise may be required by law, in such other place or places, either within or without the State of Delaware, as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II.
MEETINGS OF STOCKHOLDERS

SECTION 2.1 Place of Meetings. All meetings of holders of shares of capital stock of the Corporation shall be held at the office of the Corporation in the State of Delaware or at such other place, within or without the State of Delaware, as may from time to time be fixed by the Board or specified or fixed in the respective notices or waivers of notice thereof.

SECTION 2.2 Annual Meetings. An annual meeting of stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting (an "Annual Meeting") shall, if required by law, be held at such place, on such date, and at such time as the Board shall each year fix.

SECTION 2.3 Special Meetings. Except as required by law and subject to the rights of holders of any series of Preferred Stock (as defined below), special meetings of stockholders may be called at any time only by the Chairman of the Board, the Chief Executive Officer or by the Board pursuant to a resolution approved by a majority of the then authorized number of directors. Any such call must specify the matter or matters to be acted upon at such meeting and only such matter or matters shall be acted upon thereat.

SECTION 2.4 Notice of Meetings. Except as otherwise required by law, notice of each meeting of stockholders, whether an Annual Meeting or a special meeting, shall state the purpose or purposes of the meeting, the place, date and hour of the meeting and, unless it is an Annual Meeting, shall indicate that the notice is being issued by or at the direction of the person or persons calling the meeting and shall be given not less than ten (10) or more than sixty (60) days before the date of said meeting, to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States mail, postage

prepaid, directed to each stockholder at such stockholder's address as it appears on the stock records of the Corporation. Notice of an adjourned meeting need not be given if the date, time and place to which the meeting is to be adjourned was announced at the meeting at which the adjournment was taken, unless (i) the adjournment is for more than thirty (30) days, or (ii) the Board shall fix a new record date for such adjourned meeting after the adjournment.

SECTION 2.5 Quorum. At each meeting of stockholders of the Corporation, the holders of shares having a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote thereat shall be present or represented by proxy to constitute a quorum for the transaction of business, except as otherwise provided by law. Where a separate vote by a class or classes or series is required, a majority of the voting power of the shares of such class or classes or series in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

SECTION 2.6 Adjournments. In the absence of a quorum at any meeting of stockholders or any adjournment or adjournments thereof, the Chairman of the Board or holders of shares having a majority of the voting power of the capital stock present or represented by proxy at the meeting may adjourn the meeting from time to time until a quorum shall be present or represented by proxy. At any such adjourned meeting at which a quorum shall be present or represented by proxy, only business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present or represented by proxy thereat. A meeting of stockholders at which a quorum is present may be adjourned from time to time as permitted by law.

SECTION 2.7 Notice of Stockholder Business and Director Nomination.

(a) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an Annual Meeting only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 2.7 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice and delivery procedures set forth in this Section 2.7.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (C) of paragraph (a)(1) of this Section 2.7, (A) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, (B) any such proposed business other than nominations of persons for election to the Board of Directors must constitute a proper matter for stockholder action, (C) if the stockholder, or beneficial owner on whose behalf any such proposal or nomination is made, has provided the Corporation with a Solicitation Notice, as that term is defined in subclause III of this paragraph (a)(2) of Section 2.7, such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to the holders of at least the percentage of the Corporation's voting shares required under applicable law to carry such proposal, or, in the case of a nomination or nominations,

have delivered a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares reasonably believed by such stockholder or beneficial owner to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder and (D) if no Solicitation Notice relating thereto has been timely provided pursuant to this section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of a Solicitation Notice under this section. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the forty fifth (45th) day nor earlier than the close of business on the seventieth (70th) day prior to the first anniversary (the "Mailing Anniversary") of the date on which the Corporation first mailed proxy materials for the preceding year's Annual Meeting (provided, however, that in the event that the date of the Annual Meeting is more than thirty (30) days before or more than thirty (30) days after the anniversary date of the preceding year's Annual Meeting, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such Annual Meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an Annual Meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (I) as to each person whom the stockholder proposes to nominate for election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (II) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (III) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee (an affirmative statement of such intent, a "Solicitation Notice"). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 2.7 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an Annual Meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least fifty-five (55) days prior to the Mailing Anniversary, a stockholder's notice required by this Section 2.7 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.7 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting upon such election and who complies with the notice and delivery procedures set forth in this Section 2.7. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this Section 2.7 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which the public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General. Only such persons who are nominated in accordance with the procedures set forth in this Section 2.7 shall be eligible to be elected at an Annual Meeting or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.7. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (A) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.7 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(2)(III)(iv) of this Section 2.7) and (B) if any proposed nomination or business was

not made or proposed in compliance with this Section 2.7, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.

(2) For purposes of this Section 2.7, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 2.7, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.7. Nothing in this Section 2.7 shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (B) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation.")

SECTION 2.8 Proxies and Voting. At each meeting of stockholders, all matters (except in cases where a larger vote is required by law or by the Certificate of Incorporation or these Bylaws) shall be decided by a majority of the votes cast at such meeting by the holders of shares of capital stock present or represented by proxy and entitled to vote thereon, a quorum being present, provided, however, that directors shall be elected by a plurality of the votes cast. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this Section 2.8 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

SECTION 2.9 Inspectors. In advance of any meeting of stockholders, the Board may, and shall if required by law, appoint an inspector or inspectors. If, for any election of directors or the voting upon any other matter, any inspector appointed by the Board shall be unwilling or unable to serve, the chairman of the meeting shall appoint the necessary inspector or inspectors. The inspectors so appointed, before entering upon the discharge of their duties, shall be sworn faithfully to execute the duties of inspectors with strict impartiality, and according to the best of their ability, and the oath so taken shall be subscribed by them. Such inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each of the shares represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. The inspectors shall make a report in writing of any challenge, question or matter determined by them and shall execute a certificate of any fact found by them. No

director or candidate for the office of director shall act as an inspector of election of directors. Inspectors need not be stockholders.

SECTION 2.10 Consent of Stockholders in Lieu of Meeting. Any action required to be taken at any Annual Meeting or special meeting of stockholders of the Corporation, or any action which may be taken at any Annual Meeting or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation in the manner prescribed in the first paragraph of this Section, a written consent or consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed in the first paragraph of this Section.

ARTICLE III.
DIRECTORS

SECTION 3.1 Powers. The business of the Corporation shall be managed by or under the direction of the Board. The Board may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

SECTION 3.2 Number; Terms and Vacancies. The number of directors which shall constitute the whole Board shall be fixed at three (3) persons, until changed from time to time by resolution of the Board or by the stockholders. Any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause shall be filled in the manner provided in the Certificate of Incorporation.

SECTION 3.3 Place of Meetings. Meetings of the Board shall be held at the Corporation's office in the State of Delaware or at such other places, within or without such State, as the Board may from time to time determine or as shall be specified or fixed in the notice or waiver of notice of any such meeting.

SECTION 3.4 Regular Meetings. Regular meetings of the Board shall be held in accordance with a yearly meeting schedule as determined by the Board; or such meetings may be held on such other days and at such other times as the Board may from time to time determine. Regular meetings of the Board shall be held not less frequently than quarterly.

SECTION 3.5 Special Meetings. Special meetings of the Board may be called by a majority of the directors then in office (rounded up to the nearest whole number) or by the

Chairman of the Board and shall be held at such place, on such date, and at such time as they or he shall fix.

SECTION 3.6 Notice of Meetings. Notice of each special meeting of the Board stating the time, place and purposes thereof, shall be (i) mailed to each director not less than five (5) days prior to the meeting, addressed to such director at his or her residence or usual place of business, or (ii) shall be sent to him by facsimile or other means of electronic transmission, or shall be given personally or by telephone, on not less than twenty four (24) hours notice.

SECTION 3.7 Quorum and Manner of Acting. The presence of at least a majority of the authorized number of directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. If a quorum shall not be present at any meeting of the Board, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Except where a different vote is required or permitted by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at any meeting at which a quorum shall be present shall be the act of the Board. Any action required or permitted to be taken by the Board may be taken without a meeting if all the directors consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the directors shall be filed with the minutes of the proceedings of the Board. Any one or more directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall be deemed to constitute presence in person at a meeting of the Board.

SECTION 3.8 Resignation. Any director may resign at any time by giving written notice to the Corporation; provided, however, that written notice to the Board, the Chairman of the Board, the Chief Executive Officer of the Corporation or the Secretary of the Corporation shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.9 Removal of Directors. Directors may be removed as provided by law and in the Corporation’s Certificate of Incorporation.

SECTION 3.10 Compensation of Directors. The Board may provide for the payment to any of the directors, other than officers or employees of the Corporation, of a specified amount for services as director or member of a committee of the Board, or of a specified amount for attendance at each regular or special Board meeting or committee meeting, or of both, and all directors shall be reimbursed for expenses of attendance at any such meeting; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV.
COMMITTEES OF THE BOARD

SECTION 4.1 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided herein or in the resolution of the Board of Directors designating such committee, shall have and may exercise all the powers and authority of the Board of Director in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Certificate of Incorporation or Delaware law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaws of the Corporation.

SECTION 4.2 Audit Committee. Subject to Section 4.1, the Board may designate an Audit Committee of the Board, which shall consist of such number of members as the Board shall determine. The Audit Committee shall: (i) make recommendations to the Board as to the independent accountants to be appointed by the Board; (ii) review with the independent accountants the scope of their examinations; (iii) receive the reports of the independent accountants and meet with representatives of such accountants for the purpose of reviewing and considering questions relating to their examination and such reports; (iv) review, either directly or through the independent accountants, the internal accounting and auditing procedures of the Corporation; (v) review related party transactions; and (vi) perform such other functions as may be assigned to it from time to time by the Board. The Audit Committee may determine its manner of acting, and fix the time and place of its meetings, unless the Board shall otherwise provide.

SECTION 4.3 Compensation Committee. Subject to Section 4.1, the Board may designate members of the Board to constitute a Compensation Committee which shall consist of such number of directors as the Board may determine. The Compensation Committee may determine its manner of acting and fix the time and place of its meetings, unless the Board shall otherwise provide.

SECTION 4.4 Action by Consent; Participation by Telephone or Similar Equipment. Unless the Board shall otherwise provide, any action required or permitted to be taken by any committee may be taken without a meeting if all the members of the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the committee shall be filed with the minutes of the proceedings of the committee. Unless the Board shall otherwise provide, any one or more members of any such committee may participate in any meeting of the committee by means of conference telephone or similar communications equipment by means of which all

persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting of the committee.

SECTION 4.5 Resignations; Removals. Any member of any committee may resign at any time by giving notice to the Corporation; provided, however, that notice to the Board, the Chairman of the Board, the Chief Executive Officer of the Corporation, the chairman of such committee or the Secretary of the Corporation shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Any member of any such committee may be removed at an time, either with or without cause, by the affirmative vote of a majority of the authorized number of directors at any meeting of the Board called for that purpose.

ARTICLE V.
OFFICERS

SECTION 5.1 Number, Titles and Qualification. The Corporation shall have such officers as may be necessary or desirable for the business of the Corporation. The officers of the Corporation may include a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Chief Financial Officer, a Secretary, one or more Assistant Secretaries, a Treasurer, and one or more Assistant Treasurers. The Chairman of the Board, Chief Executive Officer, President, Executive Vice Presidents, Senior Vice Presidents, and Chief Financial Officer shall be elected by the Board, which shall consider that subject at its first meeting after every Annual Meeting of stockholders. The Corporation shall have such other officers as may from time to time be appointed by the Board or the Chief Executive Officer. Each officer shall hold office until his or her successor is elected or appointed, as the case may be, and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 5.2 Chairman of the Board. The Chairman of the Board shall have general and active responsibility for the management of the business of the Corporation and shall be responsible for implementing all orders and resolutions of the Board. The Chairman of the Board shall be elected from among the directors, and the Chairman of the Board, or at the election of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the stockholders and directors. The Chief Executive Officer shall report to the Chairman of the Board.

SECTION 5.3 Chief Executive Officer. The Chief Executive Officer shall supervise the daily operations of the business of the Corporation, and shall report to the Chairman of the Board. Subject to the provisions of these Bylaws and to the direction of the Chairman of the Board or the Board, he or she shall perform all duties which are commonly incident to the office of Chief Executive Officer or which are delegated to him or her by the Chairman of the Board or the Board. To the fullest extent permitted by law, he or she shall have power to sign all contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation. The Chief Executive Officer shall perform the duties and exercise the

powers of the Chairman of the Board in the event of the Chairman of the Board's absence or disability.

SECTION 5.4 President. The President shall have such powers and duties as may be delegated to him or her by the Chairman of the Board, the Board, or the Chief Executive Officer. The President shall perform the duties and exercise the powers of the Chief Executive Officer in the event of the Chief Executive Officer's absence or disability.

SECTION 5.5 Vice President. Each Vice President shall have such powers and duties as may be delegated to him or her by the Board or the Chief Executive Officer.

SECTION 5.6 Chief Financial Officer. The Chief Financial Officer shall have responsibility for maintaining the financial records of the Corporation. He or she shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Chief Financial Officer shall also perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.7 Treasurer. The Treasurer shall have the responsibility for investments and disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.8 Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board. He or she shall have charge of the corporate books and shall perform such other duties as the Board or the Chief Executive Officer may from time to time prescribe.

SECTION 5.9 Delegation of Authority. The Chairman of the Board, the Board, or the Chief Executive Officer may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 5.10 Removal. Any officer of the Corporation may be removed at any time, with or without cause, by the Chairman of the Board, by the Board, or, except as to the Chairman of the Board, President, Executive Vice Presidents, Senior Vice Presidents, and Chief Financial Officer, by the Chief Executive Officer.

SECTION 5.11 Resignations. Any officer may resign at any time by giving written notice to the Corporation; provided, however, that notice to the Chairman of the Board, the Chief Executive Officer or the Secretary shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5.12 Vacancies. Any vacancy among the officers, whether caused by death, resignation, removal or any other cause, shall be filled in the manner prescribed for election or appointment to such office.

SECTION 5.13 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board, the Chairman of the Board, the Chief Executive Officer or

any other officer of the Corporation authorized by the Chairman of the Board or the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

SECTION 5.14 Bonds of Officers. If required by the Chairman of the Board, the Board, or the Chief Executive Officer, any officer of the Corporation shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Chairman of the Board, the Board or the Chief Executive Officer may require.

SECTION 5.15 Compensation. The salaries of the officers shall be fixed from time to time by the Board, unless and until the Board appoints a Compensation Committee.

SECTION 5.16 Officers of Operating Companies, Regions or Divisions. The Chief Executive Officer shall have the power to appoint, remove and prescribe the terms of office, responsibilities and duties of the officers of the operating companies, regions or divisions, other than those who are officers of the Corporation appointed by the Board.

ARTICLE VI.
CONTRACTS, CHECKS, LOANS, DEPOSITS, ETC.

SECTION 6.1 Contracts. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into any contract or to execute and deliver any instrument, which authorization may be general or confined to specific instances; and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or for any amount.

SECTION 6.2 Checks, etc. All checks, drafts, bills of exchange or other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed in the name and on behalf of the Corporation in such manner as shall from time to time be authorized by the Board or the Chief Executive Officer, which authorization may be general or confined to specific instances.

SECTION 6.3 Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized by the Board, which authorization may be general or confined to specific instances, and bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation issued for such loans shall be made, executed and delivered as the Board shall authorize.

SECTION 6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or in the manner designated by the Board, the Chief Executive Officer or the Chief Financial Officer. The Board or its designees may make such special rules and regulations with respect to such bank accounts,

not inconsistent with the provisions of the Certificate of Incorporation or these Bylaws, as they may deem advisable.

ARTICLE VII.
CAPITAL STOCK

SECTION 7.1 Certificates of Stock. The shares of the capital stock of the Corporation shall be represented by certificates, provided that the Board by resolution or resolutions may provide that some or all of any or all classes or series of capital stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board, President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

SECTION 7.2 Transfers of Stock. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where a certificate is issued in accordance with Section 7.4 of these Bylaws, an outstanding certificate for the number of shares involved, if certificated, shall be surrendered for cancellation before a new certificate is issued therefor.

SECTION 7.3 Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which shall

not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary of the Corporation, request the Board to fix a record date. The Board shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board and no prior action by the Board is required by the Delaware General Corporation Law, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Section 2.10 hereof. If no record date has been fixed by the Board and prior action by the Board is required by the Delaware General Corporation Law with respect to the proposed action by written consent of the stockholders, the record date for determining stockholders entitled to consent to corporate action in writing shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

SECTION 7.4 Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board may establish concerning proof of such loss, theft or destruction and concerning the giving of satisfactory bond or bonds of indemnity.

SECTION 7.5 Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board may establish.

ARTICLE VIII.
NOTICES

SECTION 8.1 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage-paid, or with a recognized overnight-delivery service or by sending such notice by facsimile or other means of electronic transmission, or such other means as is provided by law. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at such person’s last known address as the same appears on the books of the Corporation. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by overnight delivery service, or by telegram, mailgram or facsimile, shall be the time of the giving of the notice.

SECTION 8.2 Waivers. A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee, agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.1 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof.

SECTION 9.2 Corporate Seal. The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary of the Corporation. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Corporation's Treasurer or by an Assistant Secretary or Assistant Treasurer.

SECTION 9.3 Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care or on behalf of the Corporation.

SECTION 9.4 Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board.

SECTION 9.5 Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE X.
INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 10.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, a "Covered Person"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss

(including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection therewith; provided, however, that, except as provided in Section 10.3 hereof with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

SECTION 10.2 Right to Advancement of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"), provided, however, that, if the Delaware General Corporation Law so requires, an advancement of expenses incurred by a Covered Person in his or her capacity as such shall be made only upon delivery to the Corporation of an undertaking (hereinafter, an "undertaking"), by or on behalf of such Covered Person, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "final adjudication") that such Covered Person is not entitled to be indemnified for such expenses under this Section 10.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 10.1 and 10.2 hereof shall be contract rights and such rights shall continue as to a Covered Person who has ceased to be such and shall inure to the benefit of the Covered Person's heirs, executors and administrators.

SECTION 10.3 Right of Covered Person to Bring Suit. If a claim under Section 10.1 or 10.2 hereof is not paid in full by the Corporation within sixty (60) days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the Covered Person may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not in a suit brought by the Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met the applicable standard for indemnification set forth in the Delaware General Corporation Law. To the fullest extent permitted by law, neither the failure of the Corporation (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the

Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article X or otherwise shall, to the extent permitted by law, be on the Corporation.

SECTION 10.4 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article X shall not be exclusive of any other right which any person may have or hereafter acquire by any statute, the Corporation's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 10.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 10.6 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article X with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE XI.
AMENDMENTS

The Board may from time to time adopt, make, amend, supplement or repeal these Bylaws by vote of a majority of the Board.

Exhibit 10.1
Conformed Copy

AGREEMENT

This Agreement is made this 24th day of September 2001 between Charter Communications, Inc. ("Charter") and Jerald Kent ("Kent") with reference to the following facts:

1. Kent currently serves as president and chief executive officer of Charter and a member of its Board of Directors pursuant to an employment agreement dated as of August 28, 1998 (the "Employment Agreement").

2. Kent has advised Charter that he does not intend to extend the term of the Employment Agreement, which runs through December 23, 2001.

3. Accordingly, Kent and Charter have mutually agreed that Kent's service as an employee of Charter will end on September 28, 2001, and that he will resign from Charter's Board of Directors on such date.

Accordingly, Charter and Kent hereby agree as follows:

1. TERMINATION OF EMPLOYMENT AGREEMENT. The Employment Agreement and all of the respective rights and obligations of the parties thereunder shall terminate and be of no further or effect on September 28, 2001, provided such termination shall not affect (a) Kent's right to his current base salary, and reimbursement for business expenses incurred, through September 28, 2001; (b) Kent's right to indemnification under Section 9 of the Employment Agreement; and (c) Kent's obligations under Section 8.2 of the Employment Agreement which shall survive. On September 28, 2001, Kent shall resign from all positions as an officer, director or employee of Charter and each of its affiliates and subsidiaries and shall deliver a written resignation to such effect.

2. CONSULTANCY. Kent shall make himself available for consultation at times reasonably convenient to him in his sole discretion through December 23, 2001, which consultancy may be telephonic at his option. Kent shall be paid an amount equal to his current base salary under the Employment Agreement prorated for the period from September 28, 2001 through December 23, 2001, which amount shall be paid (subject to all required withholding), by wire transfer of immediately available funds on or before September 28, 2001, regardless of whether Kent performs any consulting services to Charter hereunder.

3. OPTION TERMINATION. All options currently held by Kent to acquire Membership Interests in Charter Communications Holdings LLC or other equity interests in Charter or its subsidiaries, whether vested or unvested, shall be cancelled and of no further force or effect as of the date of this Agreement and Kent shall not receive any payment therefor. All applicable option agreements will be marked "cancelled" and returned to Charter's general counsel. Kent has not assigned or otherwise transferred any rights under any of such option agreements.

4. BONUS. Kent shall be paid a bonus in the amount of $900,000, which amount (subject to all required withholding) shall be paid by wire transfer of immediately available funds on or before September 28, 2001.

5. CHARITABLE CONTRIBUTION. Charter shall contribute, at Kent's written direction in increments of not less than $50,000, an aggregate amount of $500,000 to one or more charities (either nationally recognized or located in the Greater St. Louis area) designated by Kent prior to September 28, 2001, which charity or charities shall be reasonably acceptable to Charter.

6. COBRA REIMBURSEMENT. Promptly upon receipt of a written request therefor from Kent, Charter shall reimburse any costs incurred by Kent under the COBRA health care continuation rules for the 18-month period beginning on September 28, 2001. Kent understands that such reimbursement will be 1099'd or W-2'd to him, as applicable.

7. CHARTER AIRCRAFT. At any time and from time to time through December 24, 2001, Kent and any passengers travelling with him shall be entitled to use Charter's Hawker aircraft for up to an aggregate of 20 hours of flight time. Such usage will be billed to him in accordance with Charter's current policy.

8. KENT AUTOMOBILE. Charter acknowledges that it has provided Kent with an automobile for his use, which automobile is registered in his name, and that Kent shall retain ownership of such automobile following termination of his employment. Kent understands that Charter may, if so required by applicable regulations, issue a 1099 or W-2 to him with respect to his retention of the automobile.

9. CABLE SERVICE. Charter shall provide to Kent without charge, at the two addresses currently being serviced by Charter for him for so long as Kent shall own such properties, (a) cable and modem services at the level provided to him on the date of this Agreement and (b) technical support from Charter personnel as Kent shall reasonably request from time to time.

10. NONSOLICITATION. Kent shall not, prior to December 24, 2001, solicit for employment or employ any person employed by Charter or any of its subsidiaries on the date of this Agreement, provided that the foregoing shall not apply to (a) any of Kent's executive assistants (other than Steve Schumm) or secretaries or (b) subject to Charter's prior written consent which shall not be unreasonably withheld, any non-essential personnel. For the avoidance of doubt and without limiting the scope of "essential" personnel, officers of Charter and its subsidiaries shall be deemed essential personnel.

Executed this 24th day of September, 2001.

CHARTER COMMUNICATIONS, INC.

By: /s/ William D. Savoy

/s/ Jerald Kent
- ---
Jerald Kent

Exhibit 10.2
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 28th day of September 2001, by and between Kent D. Kalkwarf, an individual residing in the State of Missouri (the "Executive") and Charter Communications, Inc., a Delaware corporation ("Charter") with reference to the following facts:

Charter wishes to retain Executive to serve as Executive Vice President and Chief Financial Officer of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as Executive Vice President and Chief Financial Officer of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where , in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a committee of the Board following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as Executive Vice President and Chief Financial Officer of Charter. As Executive Vice President and Chief Financial Officer of Charter, the Executive shall report directly to the Chief Executive Officer of Charter (or to a committee of the Board) and,

subject to the control and supervision of such Chief Executive Officer (or committee), shall have such duties and responsibilities as are typically performed by a chief financial officer and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Term").

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. **Base Salary**. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of Three Hundred Fifty Thousand Dollars ($350,000) or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent With Charter's payroll practices.

b. **Bonus**. The Executive shall be eligible to receive an annual target bonus equal to fifty percent of Executive's base salary, the amount of such bonus to be determined and paid in accordance with Charter's Executive Bonus Policy, consistent with past practices. Executive shall also be eligible to be considered for additional bonuses at the discretion of the Board. With respect to the year ended December 31, 2001, Executive shall be paid a bonus of $175,000 by January 15, 2002.

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any disability insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. To the extent that Charter does not provide life insurance in an amount at least equal to the unpaid amount of Executive's base salary through the end of the Term, Charter shall continue to pay to Executive's estate an amount equal to Executive's base salary, in installments, through the end of the Term.

4.3 **Vacation**. Charter acknowledges that the Executive currently has six weeks of accrued vacation (which Charter, at its sole discretion, may compensate Executive for in lieu of having Executive utilize such vacation). The Executive shall be entitled to compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his

duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

4.5 **Automobile**. Charter shall provide an Audi A-8 (or comparable cost car selected by Executive) for the Executive's use and shall pay all business expenses associated with the use of such car by the Executive.

5. **Options; Restricted Stock**.

5.1 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall grant to the Executive options (the "Executive Options") to purchase Seven Hundred Fifty Thousand (750,000) Shares of the Class A Common Stock of Charter at an exercise price equal to the fair market value of such shares on the date of grant. Such options shall vest in accordance with and shall otherwise have the terms and conditions set forth in the form of option agreement previously delivered to the Executive.

5.2 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive Fifty Thousand (50,000) Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the Chief

Executive Officer or to the Board (except that Executive may be required to report to a Board committee following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the Executive for Cause (as defined below); (D) the principal place of business of Charter, or the Executive's base, shall be outside the Greater St. Louis, Missouri area; or (e) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of the Chief Executive Officer or the Board, within ten (10) days after written notice of such directive from the Chief Executive Officer or the Board; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Chief Executive Officer or the Board; (iv) the Executive's breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any of the Executive Options or Shares which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of twenty-four (24) months after termination of the Executive's employment for any reason whether by Charter or Executive, solicit directly or indirectly for employment or employ (or directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination; provided however, that if such termination occurs after January 1, 2005, and is by Charter without Cause or by the Executive with Good Reason, then the applicable period shall be twelve (12) months after termination of employment; or

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make

adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth opposite his name on the signature page hereto, with a copy to:

Daniel Bergstein, Esq.
Paul Hastings Janofsky & Walker
399 Park Avenue
New York NY 10022-4697
Telephone: 212 318 6000
Facsimile: 212 318 4090
E-mail: danielbergstein@paulhastings.com

b. in the case of Charter, to:

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn: Curt Shaw, General Counsel
Telephone: 314 965 0555
Facsimile: 314 965 8793

with a copy to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn: Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ William D. Savoy

Authorized Signatory

KENT D. KALKWARF
305 North Bemiston Avenue
Clayton, Missouri 63105

/s/ Kent D. Kalkwarf

Exhibit 10.3
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 28th day of September 2001, by and between David G. Barford, an individual residing in the State of Missouri (the "Executive") and Charter Communications, Inc., a Delaware corporation ("Charter") with reference to the following facts:

Charter wishes to retain Executive to serve as Executive Vice President and Chief Operating Officer of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as Executive Vice President and Chief Operating Officer of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where , in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a committee of the Board following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as Executive Vice President and Chief Operating Officer of Charter. As Executive Vice President and Chief Operating Officer of Charter, the Executive shall report directly to the Chief Executive Officer of Charter (or to a committee of the Board) and,

subject to the control and supervision of such Chief Executive Officer (or committee), shall have such duties and responsibilities as are typically performed by a chief operating officer and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Term").

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. Base Salary. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of Three Hundred Fifty Thousand Dollars ($350,000) or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent With Charter's payroll practices.

b. Bonus. The Executive shall be eligible to receive an annual target bonus equal to fifty percent of Executive's base salary, the amount of such bonus to be determined and paid in accordance with Charter's Executive Bonus Policy, consistent with past practices. Executive shall also be eligible to be considered for additional bonuses at the discretion of the Board. With respect to the year ended December 31, 2001, Executive shall be paid a bonus of $175,000 by January 15, 2002.

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any disability insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. To the extent that Charter does not provide life insurance in an amount at least equal to the unpaid amount of Executive's base salary through the end of the Term, Charter shall continue to pay to Executive's estate an amount equal to Executive's base salary, in installments, through the end of the Term.

4.3 **Vacation**. Charter acknowledges that the Executive currently has six weeks of accrued vacation (which Charter, at its sole discretion, may compensate Executive for in lieu of having Executive utilize such vacation). The Executive shall be entitled to compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his

duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

4.5 **Automobile**. Charter shall provide an Audi A-8 (or comparable cost car selected by Executive) for the Executive's use and shall pay all business expenses associated with the use of such car by the Executive.

5. **Options; Restricted Stock**.

5.1 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall grant to the Executive options (the "Executive Options") to purchase Seven Hundred Fifty Thousand (750,000) Shares of the Class A Common Stock of Charter at an exercise price equal to the fair market value of such shares on the date of grant. Such options shall vest in accordance with and shall otherwise have the terms and conditions set forth in the form of option agreement previously delivered to the Executive.

5.2 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive Fifty Thousand (50,000) Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the Chief

Executive Officer or to the Board (except that Executive may be required to report to a Board committee following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the Executive for Cause (as defined below); (D) the principal place of business of Charter, or the Executive's base, shall be outside the Greater St. Louis, Missouri area; or (e) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of the Chief Executive Officer or the Board, within ten (10) days after written notice of such directive from the Chief Executive Officer or the Board; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Chief Executive Officer or the Board; (iv) the Executive's breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any of the Executive Options or Shares which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of twenty-four (24) months after termination of the Executive's employment for any reason whether by Charter or Executive, solicit directly or indirectly for employment or employ (or directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination; provided however, that if such termination occurs after January 1, 2005, and is by Charter without Cause or by the Executive with Good Reason, then the applicable period shall be twelve (12) months after termination of employment; or

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make

adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth opposite his name on the signature page hereto, with a copy to:

Daniel Bergstein, Esq.
Paul Hastings Janofsky & Walker
399 Park Avenue
New York NY 10022-4697
Telephone: 212 318 6000
Facsimile: 212 318 4090
E-mail: danielbergstein@paulhastings.com

b. in the case of Charter, to:

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn: Curt Shaw, General Counsel
Telephone: 314 965 0555
Facsimile: 314 965 8793

with a copy to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn: Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ William D. Savoy

Authorized Signatory

DAVID G. BARFORD
1506 Honey Locust Court
Chesterfield, Missouri 63005

/s/ David G. Barford

Exhibit 10.4
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 8th day of October 2001, by and between Carl Vogel, an individual residing in the State of Colorado (the "Executive") and Charter Communications, Inc., a Delaware corporation ("Charter") with reference to the following facts:

Charter wishes to retain Executive to serve as President, Chief Executive Officer and a member of the Board of Directors of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as President, Chief Executive Officer and a member of the Board of Directors of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where , in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a senior officer of any acquiring company (which has an enterprise value of at least $15 billion) or its parent following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as President and Chief Executive Officer of Charter. As President and Chief

Executive Officer of Charter, the Executive shall report directly to the Board and subject to the control and supervision of the Board, shall have such duties and responsibilities as are typically performed by a chief executive officer and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. Executive will be Charter's representative on industry boards such as NCTA and Cablelab. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder. Without limiting the generality of the foregoing, Executive may continue his membership on the board of directors of IQ Navigator and such other boards as the Board and Executive shall mutually agree. In addition, Executive may remain on the boards of directors of various affiliates of Liberty Media for a reasonable transition time. Charter also agrees to cause Executive to be elected as a member of, and Executive agrees to serve on the Board of Directors of Charter (and the Executive Committee thereof) without any additional compensation.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Initial Term"); provided, however, that the Initial Term shall be extended and this Agreement shall automatically be renewed for successive one-year periods ('Renewal Terms") unless (i) this Agreement is terminated in accordance with the provisions of Section 7 hereof, or (ii) the Executive or Charter provides written notice to the other of such party's desire not to extend this Agreement at least sixty (60) days prior to the expiration of the Initial Term, or any Renewal Term, as the case may be, of this Agreement.

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. **Base Salary**. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of One Million Dollars ($1,000,000), or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent with Charter's payroll practices. Should Charter adopt a general policy applicable to all of its executives providing for automatic inflation adjustments in base salary, Executive shall participate in such program.

b. **Bonus**. The Executive shall be eligible to receive an annual bonus in an aggregate amount not to exceed Five Hundred Thousand Dollars ($500,000) consisting of (i) an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) (the "Merit Bonus"), to be determined by the Board based upon the Board's assessment in its discretion, of the performance by the Executive of his duties as President and Chief Executive Officer during the applicable period, and (ii) an amount not to exceed Two Hundred Fifty Thousand ($250,000) (the "Formula Bonus") determined by application of a formula to be agreed upon by the Board with respect to each year, based upon the achievement of budgeted cash flow and such other targets of Charter as the Board shall establish in consultation with Executive.

The Merit Bonus and the Formula Bonus shall be paid to the Executive in cash within sixty (60) days following Charter's determination of cash flow or such other targets for the applicable period.

c. **Signing Bonus**. Upon commencement of Executive's employment hereunder, Executive shall be paid a one time bonus of Two Hundred Fifty Thousand Dollars ($250,000).

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. Charter will reimburse Executive for the cost of term life insurance secured by Executive in the amount of Five Million Dollars ($5,000,000), provided that Executive is insurable at normal rates.

4.3 **Vacation**. The Executive shall be entitled to not less than one (1) month of compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

4.5 **Other Benefits**. Charter shall provide a luxury car for the Executive's use and shall pay all business expenses associated with the use of such car by the Executive. Charter shall pay periodic fees and dues for the Executive's membership in a country club selected by the Executive. Charter will reimburse Executive for up to Ten Thousand Dollars ($10,000) in legal, tax and financial planning expenses per year.

5. **Options; Restricted Stock**

5.1 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall grant to the Executive options (the "Executive Options") to purchase Three Million Four Hundred Thousand (3,400,000) Shares of the Class A Common Stock of Charter at an exercise price equal to the fair market value of such shares on the date of grant. Such options shall vest in accordance with and shall otherwise have the terms and conditions set forth in the form of option agreement previously delivered to the Executive.

5.2 As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive Fifty Thousand (50,000) Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the Board (except that Executive may be required to report to a senior officer of an acquiring company (which has an enterprise value of at least $15 billion) or its parent following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the Executive for Cause (as defined below); or (d) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of the Board, within ten (10) days after written notice of such directive from the Board; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Board; (iv) the Executive's material breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any options or stock which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the balance of the Initial Term or any Renewal Term, as applicable (but no more than one year in the event of termination by the Company without Cause or for "Cause" under clause (ii) thereof or by the Executive for "Good Reason"), Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of thirty-six (36) months after termination of the Executive's employment for any reason whether by Charter or Executive solicit directly or indirectly for employment or employ (or, directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination.

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth opposite his name on the signature page hereto, with a copy to:

Miles Cortez, Esq.
44 Sedgwick Drive
Englewood, CO 80110
Telephone:
Facsimile: 303 300 3260
E-mail: miles.cortez@aimco.com

b. in the case of Charter, to:

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn:Curt Shaw, General Counsel
Telephone: 314 965 0555
Facsimile: 314 965 8793
E-mail: cshaw@chartercom.com

with a copy to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn:Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby, except that Charter shall pay Seven Thousand Five Hundred Dollars ($7,500) of Executive's expenses.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ William D. Savoy

Authorized Signatory

CARL VOGEL
78 Glenmoor Drive
Cherry Hills Village CO 80110

/s/ Carl Vogel

Exhibit 10.5
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 18th day of October 2001, by and between Stephen E. Silva, an individual residing in the State of Missouri (the "Executive"), and Charter Communications, Inc., a Delaware corporation ("Charter"), with reference to the following facts:

Charter wishes to retain Executive to serve as Executive Vice President-Corporate Development and Chief Technology Officer of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as Executive Vice President-Corporate Development and Chief Technology Officer of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where , in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a committee of the Board following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as Executive Vice President-Corporate Development and Chief Technology Officer of Charter. As Executive Vice President-Corporate Development and Chief Technology Officer of Charter, the Executive shall report directly to the President and Chief Executive Officer of Charter, and, subject to the control and supervision of such President and Chief Executive Officer of Charter, shall have such duties and responsibilities as are typically performed by a chief technology officer and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Term").

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. **Base Salary**. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of Three Hundred Thousand Dollars ($300,000) or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent With Charter's payroll practices.

b. **Bonus**. The Executive shall be eligible to receive an annual target bonus equal to fifty percent of Executive's base salary, the amount of such bonus to be determined and paid in accordance with Charter's Executive Bonus Policy, consistent with past practices. Executive shall also be eligible to be considered for additional bonuses at the discretion of the Board. With respect to the year ended December 31, 2001, Executive shall be paid a bonus of One Hundred Fifty Thousand Dollars ($150,000) by January 15, 2002.

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any disability insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. To the extent that Charter does not provide life insurance in an amount at least equal to the unpaid amount of Executive's base salary through the end of the Term, Charter shall continue to pay to Executive's estate an amount equal to Executive's base salary, in installments, through the end of the Term.

4.3 **Vacation**. Charter acknowledges that the Executive currently has six weeks of accrued vacation (which Charter, at its sole discretion, may compensate Executive for in lieu of having Executive utilize such vacation). The Executive shall be entitled to compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

5. **Restricted Stock**.

As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive Thirty-Six Thousand (36,000) Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the President and Chief Executive Officer of Charter (except that Executive may be required to report to a Board committee following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the

Executive for Cause (as defined below); (D) the principal place of business of Charter, or the Executive's base, shall be outside the Greater St. Louis, Missouri area; or (e) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of the President and Chief Executive Officer of Charter, or the Board, within ten (10) days after written notice of such directive from the President and Chief Executive Officer of Charter, or the Board; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Chief Executive Officer or the Board; (iv) the Executive's breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any of the Executive Options or Shares which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of twenty-four (24) months after termination of the Executive's employment for any reason whether by Charter or Executive, solicit directly or indirectly for employment or employ (or directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination; provided however, that if such termination occurs after January 1, 2005, and is by Charter without Cause or by the Executive with Good Reason, then the applicable period shall be twelve (12) months after termination of employment; or

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make

adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth opposite his name on the signature page hereto.

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn: Curtis S. Shaw
Senior Vice President,
General Counsel and Secretary
Telephone: 314-543-2308
Facsimile: 314-965-8793
E-mail: cshaw@chartercom.com

with a copy to: to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn: Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ William D. Savoy

Authorized Signatory

/s/ Stephen E. Silva

Stephen E. Silva
16339 Champion Drive
Chesterfield, Missouri 63005

Exhibit 10.6
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 30th day of October 2001, by and between David L. McCall, an individual residing in the State of South Carolina (the "Executive"), and Charter Communications, Inc., a Delaware corporation ("Charter"), with reference to the following facts:

Charter wishes to retain Executive to serve as Senior Vice President of Operations — Eastern Division of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as Senior Vice President of Operations - Eastern Division of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where, in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a committee of the Board following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as Senior Vice President of Operations — Eastern Division of Charter. As Senior Vice President of Operations — Eastern Division of Charter, the Executive shall report directly to the Executive Vice President and Chief Operating Officer of Charter, and, subject

to the control and supervision of such Executive Vice President and Chief Operating Officer of Charter, shall have such duties and responsibilities as are typically performed by a divisional head of operations and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Term").

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. **Base Salary**. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of $300,000 or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent With Charter's payroll practices.

b. **Bonus**. The Executive shall be eligible to receive an annual target bonus equal to forty percent of Executive's base salary, the amount of such bonus to be determined and paid in accordance with Charter's Executive Bonus Policy, consistent with past practices. Executive shall also be eligible to be considered for additional bonuses at the discretion of the Board. With respect to the year ended December 31, 2001, Executive shall be paid a bonus of $120,000 by January 15, 2002.

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any disability insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. To the extent that Charter does not provide life insurance in an amount at least equal to the unpaid amount of Executive's base salary through the end of the Term, Charter shall continue to pay to Executive's estate an amount equal to Executive's base salary, in installments, through the end of the Term.

4.3 **Vacation**. Charter acknowledges that the Executive currently has five weeks of accrued vacation (which Charter, at its sole discretion, may compensate Executive for in lieu of having Executive utilize such vacation). The Executive shall be entitled to compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

5. **Restricted Stock**.

As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive 35,000 Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the Executive Vice President and Chief Operating Officer of Charter (except that Executive may be required to report to a Board committee following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the Executive for Cause (as defined below); (D) the Executive's principal place of business shall be outside the State of South Carolina; or (e) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of Executive Vice President and Chief Operating Officer, the Chief Executive Officer or the Board of Charter, within ten (10) days after written notice of such directive from the Executive Vice President and Chief Operating Officer, the Chief Executive Officer or the Board of Charter; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or

willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Chief Executive Officer or the Board; (iv) the Executive's breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any of the Executive Options or Shares which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of twenty-four (24) months after termination of the Executive's employment for any reason whether by Charter or Executive, solicit directly or indirectly for employment or employ (or directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination; provided however, that if such termination occurs after January 1, 2005, and is by Charter without Cause or by the Executive with Good Reason, then the applicable period shall be twelve (12) months after termination of employment; or

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth under his name on the signature page hereto.

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn: Curtis S. Shaw
Senior Vice President,
General Counsel and Secretary
Telephone: 314-543-2308
Facsimile: 314-965-8793
E-mail: cshaw@chartercom.com

with a copy to: to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn: Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Authorized Signatory

/s/ David L. McCall

David L. McCall
P.O. Box 168
Laurens, South Carolina 29360

Exhibit 10.7
Conformed Copy

EMPLOYMENT AGREEMENT

This Employment Agreement is made as of the 30th day of October 2001, by and between James H. Smith, III, an individual residing in the State of Colorado (the "Executive"), and Charter Communications, Inc., a Delaware corporation ("Charter"), with reference to the following facts:

Charter wishes to retain Executive to serve as Senior Vice President of Operations – Western Division of Charter from the date hereof and on the terms and conditions set forth herein;

Executive desires to serve as Senior Vice President of Operations – Western Division of Charter from the date hereof and on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. **Interpretation**.

1.1 **Defined Terms**.

"Affiliate" shall mean with respect to any person or entity any other person or entity who controls, is controlled by or is under common control with such person or entity.

"Allen" shall mean Paul G. Allen.

"Board" shall mean the Board of Directors of Charter or a committee thereof.

"Change of Control" means (a) a sale of more than 49.9% of the outstanding capital stock of Charter in a single or related series of transactions, except where Allen and his Affiliates retain effective voting control of Charter, the merger or consolidation of Charter with or into any other corporation or entity, other than a wholly-owned subsidiary of Charter, except where Allen and his Affiliates have effective voting control of the surviving entity, or any other transaction, or event, a result of which is that Allen holds less than 50.1% of the voting power of the surviving entity, except where Allen and his Affiliates retain effective voting control of Charter, or a sale of all or substantially all of the assets of Charter (other than to an entity majority-owned or controlled by Allen and his Affiliates); where , in any such case (b) Executive's employment with Charter is terminated or his duties are materially diminished (it being understood that neither Charter's failure to be a "public" company as such term is commonly understood nor his obligation, if any, to report to a committee of the Board following any merger or similar transaction constitute a material diminution in Executive's duties under this Agreement).

2. **Employment, Duties and Authority**.

Charter hereby agrees to employ the Executive, and the Executive agrees to be employed, as Senior Vice President of Operations — Western Division of Charter. As Senior Vice President of Operations — Western Division of Charter, the Executive shall report directly to the Executive Vice President and Chief Operating Officer of Charter, and, subject

to the control and supervision of such Executive Vice President and Chief Operating Officer of Charter, shall have such duties and responsibilities as are typically performed by a divisional head of operations and such other executive duties not inconsistent with the foregoing as may be assigned to Executive from time to time. The Executive shall devote substantially all of his business time, attention, energies, best efforts and skills to the diligent performance of his duties hereunder. Notwithstanding the foregoing, it is understood that the Executive may expend a reasonable amount of time for personal. charitable, investment and other activities so long as such activities shall not interfere in any material respect with the performance by the Executive of his duties and responsibilities hereunder.

3. **Term**.

The term of this Agreement shall commence on the date hereof and shall terminate on December 31, 2005 (the "Term").

4. **Compensation and Benefits**.

4.1 **Cash Compensation**.

a. Base Salary. During the Term of this Agreement, Charter shall pay the Executive an annual base salary at the rate of $300,000 or such higher rate as may from time to time be determined by the Board in its discretion, which shall be payable consistent With Charter's payroll practices.

b. Bonus. The Executive shall be eligible to receive an annual target bonus equal to forty percent of Executive's base salary, the amount of such bonus to be determined and paid in accordance with Charter's Executive Bonus Policy, consistent with past practices. Executive shall also be eligible to be considered for additional bonuses at the discretion of the Board. With respect to the year ended December 31, 2001, Executive shall be paid a bonus of $120,000 by January 15, 2002.

4.2 **Benefit Plans**. The Executive shall be entitled to participate in any disability insurance, pension, or other benefit plan of Charter now existing or hereafter adopted for the benefit of employees or executives of Charter generally. To the extent that Charter does not provide life insurance in an amount at least equal to the unpaid amount of Executive's base salary through the end of the Term, Charter shall continue to pay to Executive's estate an amount equal to Executive's base salary, in installments, through the end of the Term.

4.3 **Vacation**. Charter acknowledges that the Executive currently has three weeks of accrued vacation (which Charter, at its sole discretion, may compensate Executive for in lieu of having Executive utilize such vacation). The Executive shall be entitled to compensated vacation in each fiscal year consistent with Charter's policy, to be taken at times which do not unreasonably interfere with the performance of the Executive's duties hereunder. Unused vacation time shall be treated in accordance with Charter's policy.

4.4 **Expenses**. The Executive shall be entitled to receive reimbursement for all reasonable out-of pocket expenses incurred by the Executive in the performance of his duties hereunder, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by Charter.

5. **Restricted Stock**.

As a matter of separate inducement and agreement in connection with his employment hereunder and not in lieu of any salary or other compensation, Charter shall issue to the Executive 35,000 Shares of Class A Common Stock of Charter (the "Shares"). The restrictions on the Shares shall lapse and the grant shall otherwise have the terms and conditions set forth in the form of Restricted Stock Agreement previously delivered to the Executive.

6. **Indemnification**.

Charter agrees to indemnity and hold harmless to the maximum extent permitted by law the Executive from and against any claims, damages, liabilities, losses, costs or expenses in connection with or arising out of the performance by the Executive of his duties as an officer of Charter or any of its subsidiaries or Affiliates.

7. **Termination**. This Agreement may be terminated as follows:

7.1 **By the Executive for Good Reason**. The Executive may terminate this Agreement for Good Reason (as defined below) upon thirty (30) days' advance written notice to Charter. "Good Reason" shall exist if, without the Executive's consent: (A) there is an assignment to the Executive of any duties materially inconsistent with, or which constitutes a material reduction of the Executive's position, duties, responsibilities, status or authority with Charter (it being understood that Charter's cessation as a "public" company shall not be a material reduction in the Executive's position, duties, responsibilities, status or authority) and Charter shall not have rectified same within the later of (a) thirty (30) days of written notice from the Executive (b) or if Charter elects, within thirty (30) days after receipt of such written notice, to require that any alleged claim of Good Reason be submitted to binding arbitration, then ten days (10) days after any determination adverse to Charter to rectify such event (any such arbitration shall be held in St. Louis under the local arbitration rules of JAMS or other entity mutually agreed to and such arbitration decision shall be made no later than sixty (60) days after Charter's election to require such arbitration); (B) the Executive is required to report, directly or indirectly to persons other than the Executive Vice President and Chief Operating Officer of Charter (except that Executive may be required to report to a Board committee following any merger or similar transaction); (C) removal of the Executive from the position he holds pursuant hereto, except in connection with the termination of the Executive for Cause (as defined below); (D) the Executive's principal place of business shall be outside the Denver, Colorado area; or (e) a Change of Control.

7.2 **By Charter for Cause**. Charter may terminate this Agreement for Cause upon thirty (30) days' advance written notice to the Executive. "Cause" shall mean (i) conviction of a felony offense or of a misdemeanor that involves dishonesty or moral turpitude; (ii) the refusal to comply with the lawful directives of Executive Vice President and Chief Operating Officer, the Chief Executive Officer or the Board of Charter, within ten (10) days after written notice of such directive from the Executive Vice President and Chief Operating Officer, the Chief Executive Officer or the Board of Charter; (iii) conduct on the part of the Executive in the course of his employment which constitutes gross negligence or

willful misconduct which conduct is not cured within ten (10) days after written notice thereof from the Chief Executive Officer or the Board; (iv) the Executive's breach of his fiduciary duties to the Company; (v) the Executive's death or his Disability (as defined in Charter's 2001 Stock Incentive Plan); or (vi) the Executive's possession or use of illegal drugs or excessive use of alcohol on Company premises on work time or at a work related function (other than alcohol served generally in connection with such function). Should Executive commit or be alleged to have committed a felony offense or a misdemeanor of the character specified in clause (i), Charter may suspend Executive with pay. If Executive is subsequently convicted with respect to the matters giving rise to the suspension, Executive shall immediately repay all compensation or other amounts paid him hereunder from the date of the suspension and any of the Executive Options or Shares which vested after the date of suspension shall forthwith be cancelled and if theretofore sold by Executive, the cash value thereof paid to Charter.

7.3 **Effect of Termination.** In the event of the termination of this Agreement by Charter without Cause or by Executive For Good Reason, Charter shall pay to the Executive an amount equal to the aggregate base salary due the Executive during the remainder of the Term and a full prorated bonus for the year in which termination occurs. Upon termination of this Agreement by Charter for Cause or by Executive without Good Reason, then the Executive shall cease to be entitled to receive any compensation or other payments with respect to periods after the date of such termination.

8. **Covenant Not to Compete; Confidentiality**.

8.1 **Covenant Not to Compete.** The Executive recognizes and acknowledges that Charter is placing its confidence and trust in the Executive. The Executive, therefore, covenants and agrees that as to clauses (a), (b), (c) and (e) hereof during the Executive's employment with Charter and solely as to clause (d) the specific time period provided in such clause, the Executive shall not, either directly or indirectly, without the prior written consent of the Board:

a. Engage in or carry on any business or in any way become associated with any business which is similar to or is in competition with the Business of Charter. As used in this Section 8, the term "Business of Charter" shall mean the business of owning or operating cable television systems and related businesses.

b. Solicit the business of any person or entity, on behalf of himself or any other person or entity, which is or has been at any time during the term of this Agreement a customer or supplier of Charter including, but not limited to, former or present customers or suppliers with whom the Executive has had personal contact during, or by reason of, his relationship with Charter.

c. Be or become an employee, agent. consultant, representative, director or officer of, or be otherwise in any manner associated with, any person, firm, corporation, association or other entity which is engaged in or is carrying on any business which is in competition with the Business of Charter;

d. For a period of twenty-four (24) months after termination of the Executive's employment for any reason whether by Charter or Executive, solicit directly or indirectly for employment or employ (or directly or indirectly cause any entity in which the Executive has an interest or is employed by to solicit or employ), any person employed by Charter or any of its subsidiaries at the time of such termination; provided however, that if such termination occurs after January 1, 2005, and is by Charter without Cause or by the Executive with Good Reason, then the applicable period shall be twelve (12) months after termination of employment; or

e. Be or become a shareholder, joint venturer, owner (in whole or in part), or partner, or be or become associated with or have any proprietary or financial interest in or of any firm, corporation, association or other entity which is engaged in or is carrying on any business which is similar to or in competition with the Business of Charter, provided, however, that nothing contained in this Section 8 shall prohibit the Executive from owning less than 2% of the shares of a publicly held corporation engaged in the Business of Charter.

The Executive hereby recognizes and acknowledges that the existing Business of Charter extends throughout the United States of America and therefore agrees that the covenants not to compete contained in this Section 8 shall be applicable nationally. In the event that a court of competent jurisdiction determines that the scope of the non-compete provisions set forth in this Section 8 are unenforceable in any respect, then these provisions shall be deemed to be modified as necessary so that the scope of the non-compete provisions contained herein are nonetheless as broad as possible and yet enforceable under applicable law in accordance with their terms.

8.2 **Confidentiality; Non-Disparagement**. The Executive will not divulge, and will not permit or suffer the divulgence of, any confidential knowledge or confidential information with respect to the operations or finances of Charter or any of its Affiliates or with respect to confidential or secret customer lists, processes, machinery, plans, devices or products licensed, manufactured or sold, or services rendered, by Charter or any of its Affiliates other than in the regular course of business of Charter or as required by law; provided, however, that the Executive has no obligation, express or implied, to refrain from using or disclosing to others any such knowledge or information which is or hereafter shall become available to the public otherwise than by disclosure by the Executive in breach of this Agreement. Executive will not directly or indirectly disparage or otherwise make adverse references to Charter or any of its officers, directors, employees or Affiliates at any time during or after his employment with Charter.

9. **Notices**.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sufficiently given if delivered in person or transmitted by facsimile or similar means of recorded electronic communication to the relevant party as follows:

a. in the case of the Executive, to the address set forth under his name on the signature page hereto.

Charter Communications, Inc.
12405 Powerscourt Drive
St. Louis, MO 63101
Attn: Curtis S. Shaw
Senior Vice President,
General Counsel and Secretary
Telephone: 314-543-2308
Facsimile: 314-965-8793
E-mail: cshaw@chartercom.com

with a copy to:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067
Attn: Alvin Segel
Telephone: 310 277 1010
Facsimile: 310 203 7199
E-mail: asegel@irell.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it is delivered or telecopied (or, if such day is not a business day or if the notice or other communication is not telecopied during business hours, at the place of receipt, on the next following business day). Any party may change its address for the purposes of this Section by giving notice to the other parties in accordance with the foregoing.

10. **Assignability and Enforceability**. This Agreement shall be binding on and enforceable by the parties and their respective successors and permitted assigns. No party may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the other party.

11. **Expenses of this Agreement**. Each party shall bear its own costs and expenses (including, without limitation, legal, accounting and other professional fees) incurred in connection with this Agreement or the transactions contemplated hereby.

12. **Consultation**. The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable law or regulatory or stock exchange requirement, neither of them shall issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

13. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

14. **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

15. **Currency**. Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

16. **Sections and Headings**. The division of this Agreement into Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement.

17. **Number and Gender**. In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders.

18. **Entire Agreement**. This agreement and any agreements or documents referred to herein or executed contemporaneously herewith, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

19. **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20. **Amendments and Waivers**. No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise expressly provided. No provision of this Agreement shall be deemed waived by a course of conduct unless such waiver is in writing signed by all parties and stating specifically that it was intended to modify this Agreement.

21. **Taxes; Withholding**. All amounts payable hereunder shall be subject to all applicable withholding requirements under federal, state and local tax law.

22. **Survival**. The provisions of Sections 6, 8.1(d), 12 and 13 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

CHARTER COMMUNICATIONS, INC.

By: /s/ Curtis S. Shaw

Authorized Signatory

/s/ James H. Smith, III

James H. Smith, III
241 Lead King Drive
Castle Rock, Colorado 80104

Exhibit 10.8
Conformed Copy

EXECUTION COPY

FALCON CABLE COMMUNICATIONS, LLC
as Borrower

CREDIT AGREEMENT

Dated as of June 30, 1998, as Amended and Restated as of November 12, 1999,
as further Amended and Restated as of September 26, 2001

BANK OF AMERICA, N.A. AND FLEET NATIONAL BANK
as Documentation Agents

J.P. MORGAN SECURITIES INC.
as Syndication Agent

and

TORONTO DOMINION (TEXAS), INC.
as Administrative Agent

J.P. MORGAN SECURITIES INC. AND TD SECURITIES (USA) INC.
as Joint Lead Arrangers and Joint Bookrunners

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This Agreement, dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, is among Falcon Cable Communications, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors (as defined below) parties hereto, the Lenders (as defined below) parties hereto, Bank of America, N.A. and Fleet National Bank, as Documentation Agents, J.P. Morgan Securities Inc., as Syndication Agent, and Toronto Dominion (Texas), Inc., as Administrative Agent.

Recitals: The parties hereto have agreed to amend and restate the Credit Agreement, dated as of June 30, 1998, as amended and restated as of November 12, 1999 (the "Existing Credit Agreement"), among the Borrower and the other parties named therein, as provided in this Agreement, which Agreement shall become effective upon the satisfaction of the conditions precedent set forth in Section 5.1 hereof. It is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement or evidence repayment of any of such obligations and liabilities and that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of the Borrower outstanding thereunder.

The parties hereto hereby agree that on the Second Restatement Effective Date (as defined below) the Existing Credit Agreement shall be amended and restated in its entirety as follows:

1. Definitions; Certain Rules of Construction

Certain capitalized terms are used in this Agreement and in the other Credit Documents with the specific meanings defined below in this Section 1. Except as otherwise explicitly specified to the contrary, (a) the capitalized term "Section" refers to sections of this Agreement, (b) the capitalized term "Exhibit" refers to exhibits to this Agreement, (c) references to a particular Section include all subsections thereof, (d) the word "including" shall be construed as "including without limitation", (e) accounting terms not otherwise defined herein shall have the meaning provided under GAAP, (f) references to a particular statute or regulation include all rules and regulations thereunder and any successor statute, regulation or rules, in each case as from time to time in effect, (g) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement and the other Credit Documents, (h) references to "Dollars" or "$" mean United States Funds and (i) references to the "date hereof" mean June 30, 1998. In addition, the Administrative Agent is authorized to insert in the definitive execution copy of this Agreement the respective dollar amounts of the scheduled reductions of the Maximum Amount of Revolving Credit and the Maximum Amount of New Restatement Revolving Credit pursuant to Sections 2.1.1 and 2.5.1 based on the aggregate amount thereof as of the Second Restatement Effective Date and the respective scheduled percentage reductions set forth in said Sections, together with a final version of Exhibit 11.1. Notwithstanding anything to the contrary in this Agreement, the Borrower and no more than one Revolving Lender may agree that such Revolving Lender shall convert its Commitment in respect of the Revolving Loan into a Commitment in respect of the New Restatement Revolving Loan (not to exceed $20,000,000) at any time during the period from the Second Restatement Effective Date to the date that is 10 days thereafter. Any such conversion shall be deemed to be effective as of the Second Restatement Effective Date.

"Accumulated Benefit Obligations" means the actuarial present value of the accumulated benefit obligations under any Plan, calculated in a manner consistent with Statement No. 87 of the Financial Accounting Standards Board.

"Administrative Agent" means Toronto Dominion in its capacity as administrative agent for the Lenders hereunder, as well as its successors and assigns in such capacity pursuant to Section 11.6.

"Affected Lender" is defined in Section 12.3.

"Affiliate" means, with respect to any Restricted Company (or any other specified Person, including a Lender), any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Restricted Company (or other specified Person) or, in the case of any Lender which is an investment fund, the investment advisor thereof and any investment fund having the same investment advisor, and shall include (a) any officer (having a title of senior vice president or equal or greater seniority) or director or general partner of such Restricted Company (or other specified Person) and (b) any Person of which the Restricted Company (or other specified Person) or any Affiliate (as defined in clause (a) above) of such Restricted Company (or other specified Person) shall, directly or indirectly, beneficially own either (i) at least 15% of the outstanding Equity Interests having the general power to vote or (ii) at least 15% of all Equity Interests.

"Agent" means each of the Documentation Agents, the Syndication Agent and the Administrative Agent.

"Aggregate Percentage Interests" means, at any date, the sum of the dollar amounts represented by the Percentage Interests in each of the Revolving Loan, New Restatement Revolving Loan, Term Loan B, Term Loan C and Supplemental Loan.

"Agreement" means this Agreement as from time to time in effect.

"Annualized Asset Cash Flow Amount" means, with respect to any disposition of assets, an amount equal to the portion of Consolidated Operating Cash Flow for the most recent fiscal quarter as to which financial statements have been delivered pursuant to Section 7.4.1 or 7.4.2 which was contributed by such assets multiplied by four.

"Applicable Margin" means, on any date, the percentage in the table below for the applicable portion of the Revolving Loan, New Restatement Revolving Loan, Supplemental Restatement Revolving Loan, Term Loan B or Term Loan C, as the case may be, set opposite the applicable Reference Leverage Ratio.

Revolving Loan

Reference Leverage Ratio	Base Rate	Eurodollar Pricing Option
Greater than or equal to 5.50	1.000%	2.000%
Greater than or equal to 5.00 but less than 5.50	0.750%	1.750%
Greater than or equal to 4.50 but less than 5.00	0.500%	1.500%
Greater than or equal to 4.00 but less than 4.50	0.250%	1.250%
Less than 4.00	0.000%	1.000%

New Restatement Revolving Loan/Supplemental Restatement Revolving Loan

Reference Leverage Ratio	Base Rate	Eurodollar Pricing Option
Greater than or equal to 5.50	1.250%	2.250%
Greater than or equal to 4.50 but less than 5.50	1.000%	2.000%
Greater than or equal to 2.50 but less than 4.50	0.750%	1.750%
Less than 2.50	0.500%	1.500%

Term Loan B

Reference Leverage Ratio	Base Rate	Eurodollar Pricing Option
Greater than or equal to 5.50	1.250%	2.250%
Greater than or equal to 2.50 but less than 5.50	1.000%	2.000%
Less than 2.50	0.750%	1.750%

Term Loan C

Reference Leverage Ratio	Base Rate	Eurodollar Pricing Option
Greater than or equal to 5.50	1.500%	2.500%
Less than 5.50	1.250%	2.250%

Any adjustment in the Applicable Margin shall take effect on the third Banking Day following the receipt by the Administrative Agent of the financial statements required to be furnished by Section 7.4.1 or 7.4.2; provided, however, that if for any reason the Restricted Companies shall not have furnished the financial statements required by Section 7.4.1 or 7.4.2 for any fiscal quarter by the time required by such Sections and the Administrative Agent reasonably determines that the Applicable Margin indicated by the Reference Leverage Ratio for such fiscal quarter would be increased from that previously in effect, commencing on the date which is three Banking Days after such financial statements were due until the third Banking Day following receipt by the Administrative Agent of such financial statements, the Applicable Margin shall be the Applicable Margin as so increased. In the case of the New Restatement Revolving Loan, the Supplemental Restatement Revolving Loan and Term Loan B, the Applicable Margin corresponding to a Reference Leverage Ratio of less than 2.50 shall not be available until the Borrower has delivered financial statements pursuant to Section 7.4.1 with respect to its fiscal year ending December 31, 2001.

"Applicable Maturity Date" means (a) with respect to the Revolving Loan, the Final Revolving Maturity Date, (b) with respect to Term Loan B, the Final Term Loan B Maturity Date, (c) with respect to Term Loan C, the Final Term Loan C Maturity Date, (d) with respect to the New Restatement Revolving Loan, the Final New Restatement Revolving Maturity Date, (e) with respect to the Supplemental Restatement Revolving Loan, the Final Supplemental Restatement Revolving Maturity Date and (f) with respect to any other Supplemental Loan, the final maturity date of the applicable portion of such Supplemental Loan.

"Applicable Rate" means, at any date, the sum of:

(a) (i) with respect to each portion of the Loan (including the Supplemental Restatement Revolving Loan) subject to a Eurodollar Pricing Option, the sum of the Applicable Margin plus the Eurodollar Rate with respect to such Eurodollar Pricing Option;

(ii) with respect to each other portion of the Loan (including the Supplemental Restatement Revolving Loan), the sum of the Applicable Margin plus the Base Rate; and

(iii) with respect to any Supplemental Facility (other than the Supplemental Restatement Revolving Facility), the rate per annum agreed in writing by the Borrower and the Lenders extending such Supplemental Facility in accordance with Section 2.4;

plus, (b) an additional 2% beginning on the occurrence of an Event of Default and ending on the date such Event of Default is no longer continuing.

"Asset Reinvestment Reserve Amount" is defined in Section 4.4.3.

"Assignee" is defined in Section 12.1.1.

"Assignment and Acceptance" is defined in Section 12.1.1.

"Banking Day" means any day other than Saturday, Sunday or a day on which banks in Houston, Texas or New York, New York are authorized or required by law or other governmental action to close and, if such term is used with reference to a Eurodollar Pricing Option, any day on which dealings are effected in the Eurodollars in question by first-class banks in the inter-bank Eurodollar markets in New York, New York and at the location of the applicable Eurodollar Office.

"Bankruptcy Code" means Title 11 of the United States Code (or any successor statute) and the rules and regulations thereunder, all as from time to time in effect.

"Bankruptcy Default" means an Event of Default referred to in Section 9.1.11.

"Base Rate" means, on any day, the greater of (a) the rate of interest announced by the Administrative Agent at the Houston Office from time to time as its corporate base rate (which may not be its lowest commercial lending rate) or (b) the sum of 1/2% plus the Federal Funds Rate.

"Basic Eurodollar Rate" means, with respect to each day during each Interest Period pertaining to a Loan subject to a Eurodollar Pricing Option, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M., London time, two Banking Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or otherwise on such screen), the "Basic Eurodollar Rate" shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 10:00 A.M., Houston time, two Banking Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein. Each determination by the Administrative Agent of any Basic Eurodollar Rate pursuant to the foregoing sentence shall, in the absence of manifest error, be conclusive.

"Borrower" is defined in the preamble hereto.

"By-laws" means all written by-laws, rules, regulations and all other documents relating to the management, governance or internal regulation of any Person other than an individual, or interpretive of the Charter of such Person, all as from time to time in effect.

"Capital Expenditures" means, for any period, amounts added or required to be added to the property, plant and equipment or other fixed assets account on the Consolidated balance sheet of the Restricted Companies, prepared in accordance with GAAP, in respect of (a) the acquisition, construction, improvement or replacement of land, buildings, machinery, equipment, leaseholds and any other real or personal property, (b) to the extent not included in clause (a) above, materials, contract labor and direct labor relating thereto (excluding amounts properly expensed as repairs and maintenance in accordance with GAAP) and (c) software development costs to the extent not expensed in accordance with GAAP; provided, however, that Capital Expenditures shall not include the purchase price for the acquisition of another Person (or all or a portion of the assets of another Person) as a going concern permitted by Section 7.9; and provided, further, that Capital Expenditures shall not include amounts funded with insurance proceeds received in respect of the loss of or damage to property, plant, equipment or other fixed assets of the Restricted Companies.

"Capitalized Lease" means any lease which is required to be capitalized on the balance sheet of the lessee in accordance with GAAP, including Statement Nos. 13 and 98 of the Financial Accounting Standards Board.

"Capitalized Lease Obligations" means the amount of the liability reflecting the aggregate discounted amount of future payments under all Capitalized Leases calculated in accordance with GAAP, including Statement Nos. 13 and 98 of the Financial Accounting Standards Board.

"Cash Equivalents" means:

(a) negotiable certificates of deposit, time deposits (including sweep accounts), demand deposits and bankers' acceptances issued by any Lender or any United States financial institution having capital and surplus and undivided profits aggregating at least $100,000,000 and rated at least Prime-2 by Moody's Investors Service, Inc. or A-2 by Standard & Poor's Ratings Services;

(b) short-term corporate obligations rated at least Prime-2 by Moody's Investors Service, Inc. or A-2 by Standard & Poor's Ratings Services, or issued by any Lender;

(c) any direct obligation of the United States of America or any agency or instrumentality thereof, or of any state or municipality thereof, (i) which has a remaining maturity at the time of purchase of not more than one year or (ii) which is subject to a repurchase agreement with any Lender (or any other financial institution referred to in clause (a) above) exercisable within one year from the time of purchase and (iii) which, in the case of obligations of any state or municipality, is rated Aa2 or better by Moody's Investors Service, Inc.;

(d) any mutual fund or other pooled investment vehicle rated Aa2 or better by Moody's Investors Service, Inc. which invests principally in obligations described above; and

(e) in an amount not to exceed $5,000,000, deposits in overnight sweep accounts offered by a bank described in clause (a) above.

"CERCLA" means the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"CERCLIS" means the federal Comprehensive Environmental Response Compensation Liability Information System List (or any successor document) promulgated under CERCLA.

"Charter" means the articles of organization, certificate of incorporation, statute, constitution, joint venture agreement, partnership agreement, limited liability company operating agreement, trust indenture or other charter document of any Person other than an individual, each as from time to time in effect.

"Charter Communications VII" means Charter Communications VII, LLC, a Delaware limited liability company, and any successor corporation, partnership, limited liability company or other entity that would not create an Event of Default immediately as a result of such succession and that enters into assumption agreements with respect to the Pledge and Subordination Agreement and the other Credit Documents to which Charter Communications VII is a party reasonably satisfactory to such successor and the Administrative Agent in all respects.

"Charter Communications VII Debt" means any Indebtedness of Charter Communications VII.

"Charter Group" means the collective reference to Charter Communications, Inc., Charter Communications Holding Company, LLC, the Borrower and its Subsidiaries, together with any member of the Paul Allen Group or any Affiliate of any such member that, in each case, directly or indirectly owns Equity Interests (determined on the basis of economic interests) in the Borrower or any of its Subsidiaries. Notwithstanding the foregoing, no individual and no entity organized for estate planning purposes shall be deemed to be a member of the Charter Group.

"Closing Date" means the Initial Closing Date and each subsequent date on which any extension of credit is made pursuant to Section 2.1, or 2.4 or 2.5.

"Code" means, collectively, the federal Internal Revenue Code of 1986 (or any successor statute) and the rules and regulations thereunder.

"Commitment" means, with respect to any Lender, such Lender's Percentage Interest in the obligations to extend the credits contemplated by the Credit Documents.

"Commitment Notice" is defined in Section 2.4.1.

"Commonly Controlled Entity" means an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code.

"Communications Act" means the federal Communications Act of 1934, the federal Cable Television Consumer Protection and Competition Act of 1992 and the federal Telecommunications Act of 1996.

"Computation Covenants" means Sections 7.5, 7.6.6, 7.6.7, 7.6.14, 7.6.15, 7.6.16, 7.7.3, 7.9.7, 7.9.8, 7.9.9, 7.9.11, 7.10.3, 7.10.7, 7.10.8, 7.11.3, 7.11.5, 7.11.7 and 7.17.

"Consolidated" and "Consolidating", when used with reference to any term, mean that term as applied to the accounts of the Restricted Companies (or other specified Person) and all of their respective Subsidiaries (or other specified group of Persons), or such of their respective Subsidiaries as may be specified, consolidated or combined or consolidating or combining, as the case may be, in accordance with GAAP and with appropriate deductions for minority interests in Subsidiaries, as required by GAAP; provided, however, that in no event shall the Excluded Companies be included in the

Consolidated financial statements of the Restricted Companies for purposes of compliance with Section 7 (other than Section 7.4) or for purposes of determining the Applicable Margin and the related definitions.

"Consolidated Annualized Operating Cash Flow" means the product of Consolidated Operating Cash Flow multiplied by four.

"Consolidated Cash Interest Expense" means, for any period, the aggregate amount of interest, including payments in the nature of interest under Capitalized Leases and net payments under Interest Rate Protection Agreements, accrued by the Restricted Companies on Consolidated Total Debt and Interest Rate Protection Agreements (whether such interest is reflected as an item of expense or capitalized) in accordance with GAAP on a Consolidated basis; provided, however, that Consolidated Cash Interest Expense shall include commitment fees and other Lender fees included in interest expense in accordance with GAAP and Distributions to any Qualified Parent Company or Charter Communications VII described in Section 7.10.3 on account of interest on Indebtedness incurred by any Qualified Parent Company or Charter Communications VII, as the case may be, but shall not include PIK Interest Payments.

"Consolidated Excess Cash Flow" means, for any period, Consolidated Operating Cash Flow minus Consolidated Total Fixed Charges.

"Consolidated Interest Coverage Ratio" means, for any fiscal quarter of the Restricted Companies, a ratio, expressed as a percentage, equal to Consolidated Operating Cash Flow for the three-month period ending on the last day of such fiscal quarter divided by Consolidated Cash Interest Expense for such three-month period.

"Consolidated Net Income" means, for any period, the net income (or loss) of the Restricted Companies determined in accordance with GAAP on a Consolidated basis (giving pro forma effect to the results of operations for such period of any Person or other business acquired through purchase or exchange by the Restricted Companies in accordance with Section 7.9 during such period, but not giving effect to the results of operations for such period contributed by any System or other assets sold by the Restricted Companies during such period); provided, however, that Consolidated Net Income shall not include:

(a) the income (or loss) of any Person (other than a Restricted Company or a Subsidiary of a Restricted Company) in which any Restricted Company has an ownership interest; provided, however, that Consolidated Net Income shall include amounts in respect of the income of such Person when actually received in cash by the Restricted Companies in the form of dividends or similar Distributions (except as otherwise provided in Section 7.6.15);

(b) all amounts included in computing such net income (or loss) in respect of the write-up of any asset or the retirement of any Indebtedness at less than face value after December 31, 1997;

(c) the effect of extraordinary and nonrecurring items of gain, income, loss or expense, including in any event the following items: (i) litigation and tax judgments and settlements of up to an aggregate of $2,500,000 (or such larger amount as may be approved by the Specified Agents, whose approval shall not be unreasonably withheld) during any fiscal year of the Restricted Companies and (ii) payments of up to an aggregate of $5,000,000 (or such larger amount as may be approved by the Specified Agents) during any fiscal quarter of the Restricted Companies in respect of: franchise taxes relating to prior periods; payments, refunds or credits in

respect of customer late fees relating to prior periods; other similar items relating to prior periods; and acquisition deposits that are forfeited during such period;

(d) the income of any Subsidiary (other than a Restricted Company) to the extent the payment of such income in the form of a Distribution or repayment of Indebtedness to any Restricted Company is not permitted, whether on account of any Charter or By-law restriction, any agreement, instrument, deed or lease or any law, statute, judgment, decree or governmental order, rule or regulation applicable to such Subsidiary or otherwise; and

(e) any after-tax gains or losses attributable to returned surplus assets of any Plan.

For purposes of computing Consolidated Net Income for any fiscal quarter, to the extent such items have not previously been accrued or allocated to a prior period, (i) payments of insurance deductible amounts and discretionary employee or management bonuses shall be allocated one fourth to the fiscal quarter in which payment is made and one fourth to each of the next three fiscal quarters and (ii) Consolidated Net Income shall include 100% of the income of each Restricted Company, notwithstanding that such Restricted Company may not be a Wholly Owned Subsidiary of the Borrower and that, as a result thereof, GAAP would otherwise require a portion of such Restricted Company's income from Consolidated Net Income to be deducted on account of minority interests in such Restricted Company.

"Consolidated Operating Cash Flow" means, for any three-month period, the total of:

(a) Consolidated Net Income

plus (b) all amounts deducted in computing such Consolidated Net Income in respect of:

(i) depreciation, amortization and other charges that are not expected to be paid in cash;

(ii) interest on Financing Debt (including payments in the nature of interest under Capitalized Leases) and net payments in the nature of interest under Interest Rate Protection Agreements;

(iii) federal, state and local taxes based upon or measured by income;

(iv) other non-cash charges; and

(v) any reasonable costs incurred or expensed in connection with an acquisition or disposition permitted by Sections 7.9 or 7.11.

minus (c) to the extent Consolidated Net Income has not already been reduced thereby, payments of a type described in Section 7.17 (in respect of management fees and expenses), whether or not permitted thereby.

"Consolidated Pro Forma Debt Service" means, for any period, the sum of the following items, projected to be accrued by the Restricted Companies:

(a) Consolidated Cash Interest Expense,

plus (b) the aggregate amount of all mandatory scheduled payments (excluding the final scheduled principal payment on each Term Loan) and mandatory prepayments of revolving loans

as a result of mandatory reductions in revolving credit availability, all with respect to Financing Debt of the Restricted Companies in accordance with GAAP on a Consolidated basis, including payments in the nature of principal under Capitalized Leases, but in no event including contingent prepayments required by Sections 4.3, 4.4 or 4.5 or voluntary payments contemplated by Section 4.6.

For purposes of computing Consolidated Pro Forma Debt Service:

(i) the amount of Financing Debt outstanding on the first day of such period shall be assumed to remain outstanding during the entire period, except to the extent required to be reduced by mandatory scheduled payments, mandatory payments on the Revolving Loan and other items described in paragraph (b) above; and

(ii) where interest varies with a floating rate, the rate in effect on the first day of such period will be assumed to remain constant during the entire period (giving effect to any applicable Interest Rate Protection Agreements).

"Consolidated Revenues" means, for any period:

(a) the net operating revenues (after reductions for discounts) of the Restricted Companies determined in accordance with GAAP on a Consolidated basis;

minus (b) any proceeds included in such net operating revenues from the sale, refinancing, condemnation or destruction of any Systems;

minus (c) actual bad debt expense to the extent not already deducted in computing such net operating revenues.

"Consolidated Total Debt" means, at any date, the principal amount of all Financing Debt of the Restricted Companies on a Consolidated basis minus the lesser of (a) cash and Cash Equivalents of the Restricted Companies on a Consolidated basis in accordance with GAAP or (b) $5,000,000.

"Consolidated Total Fixed Charges" means, for any period, the sum of:

(a) Consolidated Cash Interest Expense;

plus,(b) the aggregate amount of all mandatory scheduled payments and mandatory prepayments of revolving loans as a result of mandatory reductions in revolving credit availability, all with respect to Financing Debt of the Restricted Companies in accordance with GAAP on a Consolidated basis, including payments in the nature of principal under Capitalized Leases, but in no event including contingent prepayments required by Sections 4.4 or 4.5 or voluntary prepayments contemplated by Section 4.6;

plus,(c) Capital Expenditures;

plus, (d) federal, state and local taxes based upon or measured by income actually paid by any Restricted Company, other than taxes with respect to extraordinary and nonrecurring gains;

plus, (e) Distributions by the Restricted Companies to their partners or members that are not Restricted Companies of a type described in Section 7.10.5 (in respect of taxes), whether or not permitted thereby;

plus, (f) to the extent not included in the foregoing clauses, Distributions by the Restricted Companies to any Qualified Parent Company or Charter Communications VII of a type described in Section 7.10.3 (for debt service), whether or not permitted thereby.

"Copyright Act" is defined in Section 8.5.2.

"Credit Document" means:

(a) this Agreement, the Notes, the Pledge and Subordination Agreement, any fee agreement with the Administrative Agent entered into by the Borrower on or after the First Restatement Effective Date, each Interest Rate Protection Agreement provided by a Lender (or an Affiliate of a Lender) to any Restricted Company and the documentation governing any Lender Letter of Credit, each as from time to time in effect; and

(b) any other present or future agreement or instrument from time to time entered into among any Restricted Company or (so long as any Restricted Company is also party thereto) any Affiliate of any of them, on one hand, and either the Administrative Agent or all the Lenders, on the other hand, relating to, amending or modifying this Agreement or any other Credit Document referred to above or which is stated to be a Credit Document, each as from time to time in effect.

"Credit Obligation" means all present and future liabilities, obligations and Indebtedness of any Restricted Company or any of their Affiliates party to a Credit Document owing to any Lender (or, in the case of Interest Rate Protection Agreements or Lender Letters of Credit, any Affiliate of a Lender) under or in connection with this Agreement, any other Credit Document or any Lender Letter of Credit, including obligations in respect of principal, interest, commitment fees, payment and reimbursement obligations under Interest Rate Protection Agreements and Lender Letters of Credit, amounts provided for in Sections 3.2.4, 3.4, 3.5, 3.6 and 10 and other fees, charges, indemnities and expenses from time to time owing hereunder or under any other Credit Document or any Lender Letter of Credit (all whether accruing before or after a Bankruptcy Default and whether or not allowed in a bankruptcy proceeding).

"Credit Participant" is defined in Section 12.2.

"Credit Security" means all assets from time to time hereafter subjected to a security interest, mortgage or charge (or intended or required so to be subjected pursuant to the Pledge and Subordination Agreement or any other Credit Document) to secure the payment or performance of any of the Credit Obligations.

"Default" means any Event of Default and any event or condition which with the passage of time or giving of notice, or both, would become an Event of Default.

"Delinquency Period" is defined in Section 11.4.3.

"Delinquent Lender" is defined in Section 11.4.3.

"Delinquent Payment" is defined in Section 11.4.3.

"Designated Financing Debt" means Financing Debt incurred by a Restricted Company after the Second Restatement Effective Date other than Financing Debt permitted by Sections 7.6.1 (the Credit Obligations), 7.6.7 (purchase money Indebtedness and Capitalized Leases), 7.6.9 (intercompany Indebtedness), 7.6.10 (existing Indebtedness), 7.6.14 (Specified Long-Term Indebtedness), 7.6.15 (assumed Indebtedness) and 7.6.16 (other Indebtedness).

"Distribution" means, with respect to any Restricted Company (or other specified Person):

(a) the binding declaration or payment of any dividend or distribution, including dividends payable in Equity Interests of any Restricted Company, on or in respect of any Equity Interests of any Restricted Company;

(b) the purchase, redemption or other retirement by any Restricted Company of any Equity Interests of any Holding Company (or of options, warrants or other rights for the purchase of such Equity Interests), directly, indirectly through a Subsidiary or otherwise;

(c) any other distribution on or in respect of any Equity Interest in any Restricted Company;

(d) any payment by any Restricted Company of principal or interest with respect to, or any purchase, redemption or defeasance by any Restricted Company of, any Specified Long-Term Indebtedness (other than (i) the payment of scheduled interest payments required to be made in cash, (ii) the prepayment of any Specified Long-Term Indebtedness with the proceeds of other Specified Long-Term Indebtedness, so long as such new Indebtedness has terms no less favorable to the interests of the Borrower and the Lenders than those applicable to the Indebtedness being refinanced, and (iii) the prepayment of Specified Subordinated Debt with the proceeds of other Specified Long-Term Indebtedness or of the Loan); and

(e) any payment (including amounts accrued and payable for management fees and reimbursement of expenses), loan or advance by any Restricted Company to, or any other Investment by any Restricted Company in, the holder of any Equity Interest in any Holding Company or any Affiliate of such holder;

provided, however, that the term "Distribution" shall not include payments in the ordinary course of business in respect of (i) reasonable compensation paid to employees, officers and directors, (ii) advances to employees for travel expenses, drawing accounts and similar expenditures, (iii) rent paid to or accounts payable for services rendered or goods sold by non-Affiliates or (iv) intercompany accounts payable and real property leases to non-Affiliates. It is understood that any Distribution permitted by this Agreement to be made to any Qualified Parent Company may be made through Charter Communications VII.

"Documentation Agents" means each of Bank of America, N.A. and Fleet National Bank in its capacity as Documentation Agent for the Lenders hereunder, as well as its successors and assigns in such capacity pursuant to Section 11.6.

"Environmental Laws" means all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations and guidelines having the force of law (including consent decrees and administrative orders) relating to public health and safety and protection of the environment.

"Equity Interests" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all classes of membership interests in a

limited liability company, any and all classes of partnership interests in a partnership and any and all other equivalent ownership interests in a Person, and any and all warrants, rights or options to purchase any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurodollar Pricing Options" means the options granted pursuant to Section 3.2.1 to have the interest on any portion of the Loan computed on the basis of a Eurodollar Rate.

"Eurodollars" means, with respect to any Lender, deposits of United States Funds in a non-United States office or an international banking facility of such Lender.

"Eurodollar Office" means such office of any Lender as such Lender may from time to time select in connection with Loans made in Eurodollars.

"Eurodollar Rate" for any Interest Period means the rate, rounded to the nearest 1/100%, obtained by dividing (a) the Basic Eurodollar Rate for such Eurodollar Interest Period by (b) an amount equal to 1 minus the Eurodollar Reserve Rate; provided, however, that if at any time during such Interest Period the Eurodollar Reserve Rate applicable to any outstanding Eurodollar Pricing Option changes, the Eurodollar Rate for such Interest Period shall automatically be adjusted to reflect such change, effective as of the date of such change.

"Eurodollar Reserve Rate" means the stated maximum rate (expressed as a decimal) of all reserves (including any basic, supplemental, marginal or emergency reserve or any reserve asset), if any, as from time to time in effect, required by any Legal Requirement to be maintained by any Lender against (a) "Eurocurrency liabilities" as specified in Regulation D of the Board of Governors of the Federal Reserve System (or any successor regulation), (b) any other category of liabilities that includes Eurodollar deposits by reference to which the interest rate on portions of the Loan covered by Eurodollar Pricing Options is determined, (c) the principal amount of or interest on any portion of the Loan covered by a Eurodollar Pricing Option or (d) any other category of extensions of credit, or other assets, that includes loans covered by a Eurodollar Pricing Option.

"Event of Default" is defined in Section 9.1.

"Exchange Act" means the federal Securities Exchange Act of 1934.

"Excluded Companies" means Falcon Lake Las Vegas Cablevision, L.P., a Delaware limited partnership, Falcon/Capital Cable, a Delaware general partnership, Falcon/Capital Cable Partners, L.P., a Delaware limited partnership, Wilcat Transmission Company, Inc., a Delaware corporation, SFC Transmissions, a California joint venture, and 212 Seventh Street, Inc., a Missouri corporation, Bend Cable Communications, LLC, Central Oregon Cable Advertising, LLC and any other Subsidiary (including a Subsidiary that is a Permitted Joint Venture) of a Restricted Company that at the time of determination shall be designated as an Excluded Company by written notice of such Restricted Company to the Administrative Agent. The Borrower may designate any Subsidiary of the Restricted Companies (including any newly acquired or newly organized Subsidiary of the Restricted Companies) to be an Excluded Company by written notice to the Administrative Agent, provided the acquisition or organization of such Subsidiary would be permitted under Section 7.9. The Borrower may designate any Excluded Company to be a Restricted Company by written notice to the Administrative Agent, provided that no Default shall occur and be continuing or shall result as a consequence thereof.

"Excluded Swap Excess Amount" means any Swap Excess Amount determined pursuant to one or more Permitted Asset Swaps consummated after the First Restatement Effective Date until the aggregate Swap Excess Percentages equal 15%. For the purposes of this definition, the "Swap Excess Percentage" with respect to any Permitted Asset Swap that results in a Swap Excess Amount shall equal the quotient (expressed as a percentage) of such Swap Excess Amount divided by Consolidated Annualized Operating Cash Flow as shown in the most recently submitted compliance computations pursuant to Section 7.4.2(b).

"FCC" means the Federal Communications Commission and any successor governmental agency.

"FCC License" means any broadcasting, community antenna television or relay systems, each station, business radio, microwave and other license issued by the FCC under the Communications Act.

"Federal Funds Rate" means, for any day, (a) the rate equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as such weighted average is published for such day (or, if such day is not a Banking Day, for the immediately preceding Banking Day) by the Federal Reserve Bank of New York or (b) if such rate is not so published for such Banking Day, as determined by the Administrative Agent using any reasonable means of determination. Each determination by the Administrative Agent of the Federal Funds Rate shall, in the absence of manifest error, be conclusive.

"Final New Restatement Revolving Maturity Date" means June 29, 2007.

"Final Revolving Maturity Date" means December 29, 2006.

"Final Supplemental Restatement Revolving Maturity Date" means December 31, 2007.

"Final Term Loan B Maturity Date" means June 29, 2007.

"Final Term Loan C Maturity Date" means December 31, 2007.

"Financial Officer" means in the case of any specified Person, the chief financial officer, treasurer, corporate controller or vice president whose primary responsibility is for the financial affairs of such Person, and whose incumbency and signatures will have been certified to the Administrative Agent by an appropriate attesting officer prior to or contemporaneously with the delivery of any certificates delivered to the Administrative Agent hereunder.

"Financing Debt" means:

(a) Indebtedness in respect of borrowed money;

(b) Indebtedness evidenced by notes, debentures or similar instruments;

(c) Indebtedness in respect of Capitalized Leases;

(d) Indebtedness in respect of the deferred purchase price of assets (other than normal trade accounts payable that are not overdue beyond customary practice); and

(e) Indebtedness in respect of mandatory redemption, repurchase or dividend rights on Equity Interests.

"First Restatement Effective Date" means November 12, 1999.

"Franchise" means any franchise, permit, license or other authorization granted by any governmental unit or authority that authorizes the construction and operation of a System.

"GAAP" means generally accepted accounting principles, as defined by the United States Financial Accounting Standards Board, as from time to time in effect; provided, however, that (a) for purposes of compliance with Section 7 (other than Section 7.4) and the related definitions, "GAAP" means such principles as in effect on December 31, 2000 as applied by the Restricted Companies in the preparation of the December 31, 2000 financial statements referred to in Section 8.2.1, and consistently followed, without giving effect to any subsequent changes thereto and (b) in the event of a change in generally accepted accounting principles after such date, either the Borrower or the Required Lenders may request a change in the definition of "GAAP", in which case the parties hereto shall negotiate in good faith with respect to an amendment of this Agreement implementing such change.

"Guarantee" means, with respect to any Restricted Company (or other specified Person):

(a) any guarantee by the Restricted Company of the payment or performance of, or any contingent obligation by the Restricted Company in respect of, any Financing Debt of any other Person;

(b) any other arrangement whereby credit is extended to a Person on the basis of any promise or undertaking of the Restricted Company (including any "comfort letter" or "keep well agreement" written by the Restricted Company to a creditor or prospective creditor of such Person) to (i) pay the Financing Debt of such Person, (ii) purchase an obligation owed by such Person, (iii) pay for the purchase or lease of assets or services regardless of the actual delivery thereof or (iv) maintain the capital, working capital, solvency or general financial condition of such Person, in each case whether or not such arrangement is disclosed in the balance sheet of the Restricted Company or referred to in a footnote thereto;

(c) any liability of the Restricted Company as a general partner of a partnership in respect of Financing Debt of such partnership;

(d) any liability of the Restricted Company as a joint venturer of a joint venture in respect of Financing Debt of such joint venture; and

(e) reimbursement obligations with respect to letters of credit, surety bonds and other financial guarantees;

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee and the amount of Indebtedness resulting from such Guarantee shall be the amount which should be carried on the balance sheet of the obligor whose obligations were guaranteed in respect of such obligations, determined in accordance with GAAP.

"Guarantor" means Charter Communications VII, each Restricted Company and each Subsidiary of a Restricted Company that is party hereto and is not either the Borrower or an Excluded Company. Exhibit 1-A lists the Guarantors as of the Second Restatement Effective Date. It is understood that no Minority Interest HoldCo in its capacity as such shall be a Guarantor.

"Hazardous Material" means, collectively, any pollutant, toxic or hazardous material or waste, including any "hazardous substance" or "pollutant" or "contaminant" as defined in section 101(14) of CERCLA or any similar state or local statute or regulation or regulated as toxic or hazardous under the Resource Conservation and Recovery Act or any similar state or local statute or regulation, and the rules and regulations thereunder, as from time to time in effect.

"Holding Companies" means any Minority Interest HoldCo, Charter Communications VII and the Restricted Companies.

"Houston Office" means the principal banking office of the Administrative Agent in Houston, Texas.

"Indebtedness" means all obligations, contingent or otherwise, which in accordance with GAAP are required to be classified upon the balance sheet of any Restricted Company (or other specified Person) as liabilities, but in any event including:

(a) indebtedness in respect of borrowed money;

(b) indebtedness evidenced by notes, debentures or similar instruments;

(c) Capitalized Lease Obligations;

(d) the deferred purchase price of assets (including trade accounts payable);

(e) mandatory redemption, repurchase or dividend obligations with respect to Equity Interests;

(f) unfunded pension fund obligations and liabilities;

(g) all Guarantees and endorsements in respect of Indebtedness of others; and

(h) liabilities secured by any Lien existing on property owned or acquired by any Restricted Company, whether or not the liability secured thereby shall have been assumed; provided, however, that, to the extent that a liability secured by a Lien on such property is otherwise nonrecourse to the Restricted Company, the amount of Indebtedness in respect of such liability shall be the lesser of the fair market value of such property or the amount of such liability.

"Indemnified Party" is defined in Section 10.2.

"Initial Closing Date" means the first Closing Date hereunder, which date was June 30, 1998.

"Insolvency" means, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent" means the condition of Insolvency.

"Interest Period" means any period, selected as provided in Section 3.2.1, of one, two, three and six months (or any longer period to which all the Lenders have given their consent to the Administrative Agent), commencing on any Banking Day and ending on the corresponding date in the

subsequent calendar month so indicated (or, if such subsequent calendar month has no corresponding date, on the last day of such subsequent calendar month); provided, however, that subject to Section 3.2.3, if any Interest Period so selected would otherwise begin or end on a date which is not a Banking Day, such Interest Period shall instead begin or end, as the case may be, on the immediately preceding or succeeding Banking Day as determined by the Administrative Agent in accordance with the then current banking practice in the inter-bank Eurodollar market with respect to Eurodollar deposits at the applicable Eurodollar Office, which determination by the Administrative Agent shall, in the absence of manifest error, be conclusive.

"Interest Rate Protection Agreement" means any interest rate swap, interest rate cap, interest rate hedge or other contractual arrangement protecting a Person against increases in variable interest rates or converting fixed interest rates into variable interest rates on Financing Debt.

"Investment" means, with respect to any Restricted Company (or other specified Person):

(a) any Equity Interest, evidence of Indebtedness or other security issued by any other Person;

(b) any loan, advance or extension of credit to, or contribution to the capital of, any other Person;

(c) any Guarantee of the Indebtedness of any other Person;

(d) any acquisition of all or any part of the business of any other Person or the assets comprising such business or part thereof;

(e) any commitment or option to make any Investment if the consideration for such commitment or option exceeds $1,000,000; and

(f) any other similar investment.

The investments described in the foregoing clauses (a) through (f) shall constitute Investments whether they are made or acquired by purchase, exchange, issuance of stock or other securities, merger, reorganization or any other method, provided, however, that Investments shall not include (i) current trade and customer accounts receivable for property leased, goods furnished or services rendered in the ordinary course of business and payable in accordance with customary trade terms, (ii) advances, payments and prepayments to suppliers for property leased, goods furnished and services rendered in the ordinary course of business, (iii) advances to employees for travel expenses, drawing accounts and similar expenditures, (iv) stock or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due to any Restricted Company or as security for any such Indebtedness or claim or (v) demand deposits in banks or trust companies.

In determining the amount of outstanding Investments for purposes of Section 7.9, the amount of any Investment shall be the cost thereof (including the amount of any Indebtedness assumed in any purchase or secured by any asset acquired in such purchase (whether or not any Indebtedness is assumed) or for which any Person that becomes a Subsidiary is liable on the date on which the securities of such Person are acquired) minus any returns of capital on such Investment actually received in cash (determined in accordance with GAAP without regard to amounts realized as income on such Investment).

"Legal Requirement" means any requirement imposed upon any of the Lenders by (a) any law, rule or regulation of any governmental authority or (b) any regulation, order, interpretation, ruling or official directive of the Board of Governors of the Federal Reserve System or any other board or governmental or administrative agency. Any such requirement not having the force of law shall be deemed to be a Legal Requirement if any of the Lenders reasonably believes that compliance therewith is in accordance with customary commercial practice.

"Lender" means the Persons owning a Percentage Interest in the Credit Obligations under this Agreement or having a Commitment and their respective Assignees permitted by Section 12.1.

"Lender Consent Letter" means a consent letter in a form approved by the Administrative Agent pursuant to which a Lender consents to the amendments to the Existing Credit Agreement effected pursuant to this Agreement and, if applicable, agrees to convert its existing Commitment in respect of the Revolving Loan into a Commitment in respect of the New Restatement Revolving Loan or to provide a new or additional Commitment in respect of the New Restatement Revolving Loan.

"Lender Letters of Credit" means letters of credit issued by any Lender (or any Affiliate thereof) for the account of the Borrower, so long as the aggregate undrawn face amount thereof, together with any unreimbursed reimbursement obligations in respect thereof, does not exceed $15,000,000 at any one time.

"Lending Officer" shall mean such officers or employees of the Administrative Agent as from time to time designated by it in writing to the Borrower.

"Lien" means, with respect to any Restricted Company (or any other specified Person):

(a) any encumbrance, mortgage, pledge, lien, charge or security interest of any kind upon any property or assets of the Restricted Company, whether now owned or hereafter acquired, or upon the income or profits therefrom;

(b) the acquisition of, or the agreement to acquire, any property or asset upon conditional sale or subject to any other title retention agreement, device or arrangement (including a Capitalized Lease); and

(c) the sale, assignment, pledge or transfer for security of any accounts, general intangibles or chattel paper of the Restricted Company, with or without recourse.

"Loan" means, collectively, the Revolving Loan, the New Restatement Revolving Loan, the Term Loan and the Supplemental Loan.

"Margin Stock" means "margin stock" within the meaning of Regulations T, U or X (or any successor provisions) of the Board of Governors of the Federal Reserve System, or any regulations, interpretations or rulings thereunder, all as from time to time in effect.

"Material Adverse Change" means a material adverse change since December 31, 2000 in the business, assets, financial condition or income of the Restricted Companies (on a Consolidated basis) (or any other specified Persons) as a result of any event or development.

"Material Agreements" means the partnership agreements or limited liability company agreements for each Restricted Company that is a limited partnership or limited liability company, in each case as amended, modified and supplemented in accordance with Section 7.2.3.

"Material Financing Debt" means any Financing Debt (other than the Credit Obligations under this Agreement) outstanding in an aggregate amount of principal (whether or not due) and accrued interest exceeding $10,000,000.

"Maximum Amount of New Restatement Revolving Credit" is defined in Section 2.5.1.

"Maximum Amount of Relevant Supplemental Revolving Credit" is defined in Section 2.4.1.

"Maximum Amount of Revolving Credit" is defined in Section 2.1.1.

"Maximum Amount of Supplemental Credit" is defined in Section 2.4.1.

"Maximum Amount of Supplemental Restatement Revolving Credit" is defined in Section 2.4.5.

"Minority Interest HoldCo" means any Affiliate of any Restricted Company that directly holds a minority Equity Interest in any Restricted Company.

"Multiemployer Plan" means a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" means the cash proceeds of an Operating Asset Sale by any Restricted Company net of (a) any Indebtedness permitted by Section 7.6.7 (Capitalized Leases and purchase money indebtedness) secured by assets being sold in such transaction required to be paid from such proceeds, (b) with respect to any such Restricted Company that is not a tax flow-through entity, income taxes that will be required to be paid as a result of such asset sale as estimated by such Restricted Company in good faith, and with respect to any such Restricted Company that is a tax flow-through entity, distributions to all the direct or indirect holders of the equity of such Restricted Company, in proportion to their ownership interests, sufficient to permit each such direct or indirect holder of the equity of such Restricted Company to pay income taxes that may be required to be paid by it as a result of such asset sale as estimated by such Restricted Company in good faith, (c) all reasonable expenses of such Restricted Company incurred in connection with the transaction and (d) amounts subject to a reserve or escrow to fund indemnification obligations incurred in connection with such asset sale; provided, however, that the principal (but not interest) component of amounts described in this clause (d) will become Net Cash Proceeds upon release from such reserve or escrow.

"Net Debt Proceeds" means the cash proceeds of the incurrence of Designated Financing Debt by any Restricted Company (net of reasonable out-of-pocket transaction fees and expenses).

"New Restatement Revolving Facility" is defined in Section 2.5.1.

"New Restatement Revolving Lenders" is defined in Section 2.5.1.

"New Restatement Revolving Loan" is defined in Section 2.5.1.

"New Restatement Revolving Note" is defined in Section 2.5.3.

"Nonperforming Lender" is defined in Section 11.4.3.

"Notes" means each of the Revolving Notes, the New Restatement Revolving Notes, the Term B Notes, the Term C Notes and the Supplemental Notes.

"Obligor" means the Borrower and each other Restricted Company guaranteeing or granting collateral to secure any Credit Obligations.

"Operating Assets" means (a) a group of tangible and intangible assets used by a Person to provide cable television services or to conduct any related activities, or (b) all of the outstanding Equity Interests in a Person engaged in the provision of cable television services or conducting any related activities.

"Operating Asset Sale" is defined in Section 4.4.1.

"Paul Allen Group" means the collective reference to (a) Paul G. Allen, (b) his estate, spouse, immediate family members and heirs and (c) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or other owners of which consist exclusively of Paul G. Allen or such other Persons referred to in clause (b) above or a combination thereof.

"Payment Date" means the last Banking Day of each March, June, September and December.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Percentage Interest" is defined in Section 11.1.

"Performing Lender" is defined in Section 11.4.3.

"Permitted Asset Swap" means the exchange by any Restricted Company of Operating Assets (including Systems) (a) for fair value in a single transaction (or a substantially contemporaneous series of related transactions) pursuant to which, within five Banking Days of the transfer of such Operating Assets, the Restricted Companies receive Operating Assets related to businesses permitted by Section 7.2.1 or (b) in a transaction which qualifies as a like-kind exchange under section 1031 of the Code or any successor provision (with any cash received by the Restricted Company in connection with such exchange constituting Net Cash Proceeds therefrom and any cash paid by the Restricted Company in connection with such exchange being subject to the limitations of Section 7.9).

"Permitted Joint Venture" means a joint venture, limited partnership, corporation, general partnership or limited liability company or other entity between or involving a Restricted Company pursuant to which the new entity would operate a business not prohibited by Section 7.2.1; provided, however, that if the Permitted Joint Venture is not a Restricted Company, the Restricted Companies shall in no event incur any Financing Debt, by way of guarantee, general partner or joint venturer liability or otherwise, as a result of the incurrence of Financing Debt by any such joint venture, limited partnership, corporation, general partnership or limited liability company.

"Person" means any present or future natural person or any corporation, association, partnership, joint venture, company, limited liability company, business trust, trust, organization, business or government or any governmental agency or political subdivision thereof.

"PIK Interest Payments" means any accrued interest payments on Financing Debt that are postponed, evidenced by book-entry accrual or made through the issuance of "payment-in-kind" notes or

other securities, all in accordance with the terms of such Financing Debt; provided, however, that in no event shall PIK Interest Payments include payments made with cash or Cash Equivalents.

"Plan" means, at a particular time, any employee pension benefit plan subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA or any welfare plan providing post-employment healthcare benefits, and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge and Subordination Agreement" means the Pledge and Subordination Agreement, dated as of June 30, 1998, as amended and restated as of November 12, 1999, among the Restricted Companies, Charter Communications VII, any Minority Interest HoldCo and the Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"Pro Rata New Restatement Revolver Prepayment Portion" means, at any date, with respect to specified Net Cash Proceeds from any Operating Asset Sale that will be allocated to repay the New Restatement Revolving Loan, the portion of such Net Cash Proceeds calculated as follows:

(a) add all percentage reductions of the New Restatement Revolving Loan occurring on or after the date of such Operating Asset Sale through the Final New Restatement Revolving Maturity Date;

(b) divide the percentage reduction of each remaining Payment Date by the sum in clause (a) above; and

(c) multiply the Net Cash Proceeds by the percentage determined under clause (b) above for each such Payment Date.

"Pro Rata Revolver Prepayment Portion" means, at any date, with respect to specified Net Cash Proceeds from any Operating Asset Sale that will be allocated to repay the Revolving Loan, the portion of such Net Cash Proceeds calculated as follows:

(a) add all percentage reductions of the Revolving Loan occurring on or after the date of such Operating Asset Sale through the Final Revolving Maturity Date;

(b) divide the percentage reduction of each remaining Payment Date by the sum in clause (a) above; and

(c) multiply the Net Cash Proceeds by the percentage determined under clause (b) above for each such Payment Date.

An example of the computation of the Pro Rata Revolver Prepayment Portion is set forth in Exhibit 1-B.

"Pro Rata Supplemental Restatement Revolver Prepayment Portion" means, at any date, with respect to specified Net Cash Proceeds from any Operating Asset Sale that will be allocated to repay the Supplemental Restatement Revolving Loan, the portion of such Net Cash Proceeds calculated as follows:

(a) add all percentage reductions of the Supplemental Restatement Revolving Loan occurring on or after the date of such Operating Asset Sale through the Final Supplemental Restatement Revolving Maturity Date;

(b) divide the percentage reduction of each remaining Payment Date by the sum in clause (a) above; and

(c) multiply the Net Cash Proceeds by the percentage determined under clause (b) above for each such Payment Date.

"Pro Rata Term Loan B Prepayment Portion" means, at any date, with respect to specified Net Cash Proceeds from any Operating Asset Sale that will be allocated to repay Term Loan B, the portion of such Net Cash Proceeds calculated as follows:

(a) add all percentage reductions of Term Loan B occurring on or after the date of such Operating Asset Sale up to but excluding the Final Term Loan B Maturity Date;

(b) divide the percentage reduction of each remaining Payment Date by the sum in clause (a) above; and

(c) multiply the Net Cash Proceeds by the percentage determined under clause (b) above for each such Payment Date.

"Pro Rata Term Loan C Prepayment Portion" means, at any date, with respect to specified Net Cash Proceeds from any Operating Asset Sale that will be allocated to repay Term Loan C, the portion of such Net Cash Proceeds calculated as follows:

(a) add all percentage reductions of Term Loan C occurring on or after the date of such Operating Asset Sale up to but excluding the Final Term Loan C Maturity Date;

(b) divide the percentage reduction of each remaining Payment Date by the sum in clause (a) above; and

(c) multiply the Net Cash Proceeds by the percentage determined under clause (b) above for each such Payment Date.

"Pro Rata Term Prepayment Portions" means, collectively, the Pro Rata Term Loan B Prepayment Portion and the Pro Rata Term Loan C Prepayment Portion.

"Qualified Institutional Buyer" means:

(a) a duly authorized domestic bank, savings and loan association, insurance company, registered investment company, registered investment adviser or registered dealer, acting for its own account or the accounts of other Qualified Institutional Buyers, which in the aggregate owns and invests on a discretionary basis at least $100,000,000 in securities and (if a bank or savings and loan association) which has a net worth of at least $25,000,000; or

(b) a foreign bank or savings and loan association or equivalent institution, acting for its own account or the account of other Qualified Institutional Buyers, which in the aggregate owns and invests on a discretionary basis at least $100,000,000 in securities and has a net worth of at least $25,000,000; or

(c) any other entity which also constitutes a "qualified institutional buyer" as defined in Rule 144A under the Securities Act; or

(d) any other entity acceptable to the Restricted Companies.

"Qualified Parent Company" means Charter Communications, Inc. or any of its direct or indirect Subsidiaries, in each case provided that the Borrower shall be an indirect Subsidiary of such Person.

"Redeemable Capital Stock" means any class or series of Equity Interests of any Person that, either by its terms, by the terms of any security into which it is convertible or exchangeable or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed (in whole or in part) prior to the final maturity of any portion of the Loan or is redeemable (in whole or in part) at the option of the holder thereof at any time prior to the final maturity of any portion of the Loan.

"Reference Leverage Ratio" means, at any date, the ratio of (a) Consolidated Total Debt as of the end of the most recent fiscal quarter for which financial statements have been furnished to the Lenders in accordance with Section 7.4.2 prior to such date to (b) Consolidated Annualized Operating Cash Flow for such period.

"Register" is defined in Section 12.1.3.

"Related Fund" means, with respect to any Lender that is a fund that invests in senior bank loans, any other fund or entity that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Remaining Dollar-Years" of any Indebtedness means, at any date, the sum of the products obtained by multiplying (a) the amount of each remaining scheduled payment of principal (or in the case of a revolving credit facility, each scheduled reduction in the revolving credit commitment) by (b) the number of years (calculated to the nearest twelfth) which will elapse between such date and the making of the payment (or in the case of a revolving credit facility, such scheduled reduction in the revolving credit commitment).

"Reorganization" means, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Replacement Lender" is defined in Section 12.3.

"Reportable Event" means any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders" means, with respect to any consent or other action to be taken by either the Lenders or any Agent under the Credit Documents, such Lenders as own at least a majority of the Aggregate Percentage Interests; provided, however, that with respect to the matters referred to in the proviso to Section 17.1, Required Lenders means such Lenders as own at least the respective portions of the Percentage Interests indicated therein.

"Resource Conservation and Recovery Act" means the federal Resource Conservation and Recovery Act, 42 U.S.C. section 690, et seq.

"Restricted Company" means each of the Borrower, the Guarantors (other than Charter Communications VII) and their respective Subsidiaries that are Guarantors and that are not Excluded Companies. Exhibit 1-A lists the Restricted Companies as of the Second Restatement Effective Date.

"Revolving Lender" means each Lender owning a Percentage Interest in the Revolving Loan or having a Commitment to extend a portion of the Revolving Loan and its Assignees permitted by Section 12.1.

"Revolving Loan" is defined in Section 2.1.1.

"Revolving Note" is defined in Section 2.1.3.

"Second Restatement Effective Date" is defined in Section 5.1.

"Securities Act" means the federal Securities Act of 1933.

"Single Employer Plan" means any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Specified Agents" means the Syndication Agent and the Administrative Agent.

"Specified Change of Control" means a "Change of Control" (or any defined term having a comparable purpose) contained in the documentation governing any Charter Communications VII Debt or any Specified Long-Term Indebtedness.

"Specified Long-Term Indebtedness" means any Indebtedness incurred pursuant to Section 7.6.14.

"Specified Subordinated Debt" means any Indebtedness of the Borrower issued directly or indirectly to Paul G. Allen or any of his Affiliates, so long as such Indebtedness (a) qualifies as Specified Long-Term Indebtedness and (b) has subordination terms substantially identical to those set forth in Exhibit 1-C.

"Subscriber" means each home with one or more television sets connected to a System and each subscriber equivalent represented by a bulk account (determined by dividing the total monthly bill for the account by the basic monthly charge for a single outlet in the area).

"Subsidiary" means any Person of which the Borrower (or other specified Person) shall at the time, directly or indirectly through one or more of its Subsidiaries, (a) own at least 50% of the outstanding Equity Interests entitled to vote generally, (b) hold at least 50% of the partnership, joint venture or similar interests or (c) be a general partner or joint venture.

"Supplemental Agent" is defined in Section 2.4.1.

"Supplemental Facility" is defined in Section 2.4.1.

"Supplemental Lenders" is defined in Section 2.4.1.

"Supplemental Loan" is defined in Section 2.4.4.

"Supplemental Note" is defined in Section 2.4.4.

"Supplemental Restatement Revolving Facility" is defined in Section 2.4.5.

"Supplemental Restatement Revolving Lenders" is defined in Section 2.4.5.

"Supplemental Restatement Revolving Loan" is defined in Section 2.4.5.

"Swap Excess Amount" is defined in Section 7.11.5.

"Syndication Agent" means J.P. Morgan Securities Inc., in its capacity as syndication agent hereunder, as well as its successors and assigns in such capacity pursuant to Section 11.6.

"System" means the assets constituting a cable television system most of which is within a geographical area covered by one or more Franchises held by any Restricted Company serving subscribers who are connected by drop lines to trunk or distribution lines carrying signals from one or more head-end facilities.

"Tax" means any tax, levy, duty, deduction, withholding or other charges of whatever nature at any time required by any Legal Requirement (a) to be paid by any Lender or (b) to be withheld or deducted from any payment otherwise required hereby to be made to any Lender, in each case on or with respect to (i) the principal amount of or interest on any portion of the Loan, (ii) any fees, expenses, indemnities or other amounts payable to any Lender under any Credit Document or (iii) funds transferred from a non-United States office or an international banking facility of any Lender to a United States office of such Lender in order to fund (or deemed by Section 3.2.6 to have funded) a portion of the Loan subject to a Eurodollar Pricing Option; provided, however, that the term "Tax" shall not include (A) taxes imposed upon or measured by the net income of such Lender or (B) franchise or similar business licensing taxes for qualification of offices of such Lender in any jurisdiction.

"Term Lender" means each Lender owning a Percentage Interest in the Term Loans and its Assignees permitted by Section 12.1.

"Term Loan" means Term Loan B and Term Loan C, collectively.

"Term Loan B" is defined in Section 2.2.1.

"Term Loan B Lender" means each Lender owning a Percentage Interest in Term Loan B and its Assignees permitted by Section 12.1.

"Term Loan B Note" is defined in Section 2.2.2.

"Term Loan C" is defined in Section 2.3.1.

"Term Loan C Lender" means each Lender owning a Percentage Interest in Term Loan C and its Assignees permitted by Section 12.1.

"Term Loan C Note" is defined in Section 2.3.2.

"Term Notes" means the Term Loan B Notes and the Term Loan C Notes, collectively.

"Threshold Management Fee Date" means any date on which, both before and after giving pro forma effect to the payment of any previously deferred management fees pursuant to Section 7.17 (including any Indebtedness incurred in connection therewith), the Consolidated Interest Coverage Ratio, determined in respect of the most recent fiscal quarter for which the relevant financial information is available, is greater than 225%.

"Threshold Transaction Date" means any date on which, both before and after giving pro forma effect to a particular transaction (including any Indebtedness incurred in connection therewith), the Consolidated Interest Coverage Ratio, determined in respect of the most recent fiscal quarter for which the relevant financial information is available, is greater than 175%.

"Toronto Dominion" means Toronto Dominion (Texas), Inc.

"Tranche" means each of the Revolving Loan, New Revolving Loan, Term Loan B, Term Loan C and the Supplemental Loan, each considered as a separate credit facility.

"United States Funds" means such coin or currency of the United States of America as at the time shall be legal tender therein for the payment of public and private debts.

"Weighted Average Life to Maturity" of any Indebtedness means, at any date, the number of years obtained by dividing the Remaining Dollar-Years of such Indebtedness by the outstanding principal amount of the Indebtedness (or, in the case of a revolving credit facility, the maximum amount of revolving credit commitment, regardless of the amount of revolving loans then outstanding).

"Wholly Owned Guarantor" means any Guarantor that is a Wholly Owned Subsidiary of the Borrower.

"Wholly Owned Subsidiary" means any Subsidiary of which all of the outstanding Equity Interests entitled to vote generally (other than directors' qualifying shares) is owned by the Borrower (or other specified Person) directly, or indirectly through one or more Wholly Owned Subsidiaries.

2. The Credits.

2.1. Revolving Credit.

2.1.1. Revolving Loan. Subject to all of the terms and conditions of this Agreement and so long as no Default exists and is continuing, each Revolving Lender severally agrees to make revolving loans to the Borrower in an aggregate principal amount for all Revolving Lenders equal to the amount requested in accordance with Section 2.1.2 from time to time prior to the Final Revolving Maturity Date, but not to exceed at any time outstanding the Maximum Amount of Revolving Credit. In no event will the principal amount of the loans at any one time outstanding made by any Revolving Lender under this Section 2.1 exceed an amount equal to such Revolving Lender's Percentage Interest in the Maximum Amount of Revolving Credit.

"Maximum Amount of Revolving Credit" means, on any date, the amount set forth for such date in the table below, reduced as provided further below:

Date	Stated Amount	Percentage Reduction
Prior to September 30, 2001	$79,699,264	0.000%
September 30, 2001 through December 30, 2001	$77,706,782	2.500%

Date	Stated Amount	Percentage Reduction
December 31, 2001 through March 30, 2002	$75,714,301	2.500%
March 31, 2002 through June 29, 2002	$73,721,819	2.500%
June 30, 2002 through September 29, 2002	$71,729,338	2.500%
September 30, 2002 through December 30, 2002	$69,736,856	2.500%
December 31, 2002 through March 30, 2003	$67,744,374	2.500%
March 31, 2003 through June 29, 2003	$65,751,893	2.500%
June 30, 2003 through September 29, 2003	$63,759,411	2.500%
September 30, 2003 through December 30, 2003	$61,766,930	2.500%
December 31, 2003 through March 30, 2004	$59,774,448	2.500%
March 31, 2004 through June 29, 2004	$55,789,485	5.000%
June 30, 2004 through September 29, 2004	$51,804,522	5.000%
September 30, 2004 through December 30, 2004	$47,819,558	5.000%
December 31, 2004 through March 30, 2005	43,834,595	5.000%
March 31, 2005 through June 29, 2005	$38,853,391	6.250%
June 30, 2005 through September 29, 2005	$33,872,187	6.250%

Date	Stated Amount	Percentage Reduction
September 30, 2005 through December 30, 2005	$28,890,983	6.250%
December 31, 2005 through March 30, 2006	$23,909,779	6.250%
March 31, 2006 through June 29, 2006	$17,932,334	7.500%
June 30, 2006 through September 29, 2006	$11,954,890	7.500%
September 30, 2006 up to the Final Revolving Maturity Date	$ 5,977,445	7.500%
Final Revolving Maturity Date	$ 0	7.500%

Each amount in the foregoing table shall be further permanently reduced by the following amounts:

(a) The sum of the Pro Rata Revolver Prepayment Portions applicable to the reduction date for such amount set forth in such table of the respective amounts of Net Cash Proceeds from Operating Asset Sales to the extent that such Net Cash Proceeds are not applied to repay the New Restatement Revolving Loan, the Term Loans or the Supplemental Loan pursuant to Section 4.4 or allocated to an effective Asset Reinvestment Reserve Amount.

(b) The amount of Net Debt Proceeds to the extent that such amount is allocated to the permanent reduction of the Maximum Amount of Revolving Credit by Section 4.5.

(c) Such amount (in an integral multiple of $1,000,000 and in a minimum amount of $1,000,000) specified by three Banking Days' notice from the Borrower to the Administrative Agent.

The aggregate principal amount of the loans made pursuant to this Section 2.1.1 at any time outstanding is referred to as the "Revolving Loan".

2.1.2. Borrowing Requests. Revolving Loans will be made to the Borrower by the Revolving Lenders under Section 2.1.1 on any Banking Day prior to the Final Revolving Maturity Date. Not later than noon (New York time) on the first Banking Day (third Banking Day if any portion of such loan will be subject to a Eurodollar Pricing Option on the requested Closing Date) prior to the requested Closing Date for any such loan, a Financial Officer for the Borrower will give the Administrative Agent notice of its request (which may be given by a telephone call received by a Lending Officer and promptly confirmed in writing), specifying (a) the amount of the requested loan (not less than $1,000,000 and an integral multiple of $100,000) (except to the extent a greater amount may be required in the case of a Eurodollar Pricing Option) and (b) the requested Closing Date therefor. Upon receipt of such notice by

the Administrative Agent, the Administrative Agent shall give prompt telephonic or written notice to each Lender. Each such loan will be made at the Houston Office by wire deposit to the Administrative Agent as specified in writing from time to time. In connection with each such loan, the Borrower shall furnish to the Administrative Agent a certificate in substantially the form of Exhibit 5.2.1.

2.1.3. Revolving Notes. The Administrative Agent shall keep a record of the Revolving Loan and the respective interests of the Lenders therein as part of the Register, which shall evidence the Revolving Loan. The Revolving Loan shall be deemed owed to each Lender having a Commitment therein severally in accordance with such Lender's Percentage Interest therein, and all payments thereon shall be for the account of each Lender in accordance with its Percentage Interest therein. Upon written request of any Lender, the Borrower's obligations to pay such Lender's Percentage Interest in the Revolving Loan shall be evidenced by a separate note of the Borrower in substantially the form of Exhibit 2.1.3 (the "Revolving Notes"), payable to such Lender in accordance with such Lender's Percentage Interest in the Revolving Loan.

2.2. Term Loan B.

2.2.1. Term Loan B. On June 30, 1998, certain Lenders made term loans to the Borrower in an aggregate amount equal to $125,794,117.75 and on September 30, 1998 certain Lenders made term loans to the Borrower in an aggregate amount equal to $74,205,882.25. The aggregate principal amount of the loans made pursuant to this Section 2.2.1 at any one time outstanding is collectively referred to as "Term Loan B".

2.2.2. Term Loan B Notes. Term Loan B is evidenced by term notes of the Borrower (the "Term Loan B Notes") payable to the respective Term Loan B Lenders. The Term Loan B Note issued to each Lender shall be in substantially the form of Exhibit 2.2.2.

2.3. Term Loan C.

2.3.1. Term Loan C. On June 30, 1998, certain Lenders made term loans to the Borrower in an aggregate amount equal to $300,000,000. The aggregate principal amount of the loans made pursuant to this Section 2.3.1 at any one time outstanding is collectively referred to as "Term Loan C".

2.3.2. Term Loan C Notes. Term Loan C is evidenced by term notes of the Borrower (the "Term Loan C Notes") payable to the respective Term Loan C Lenders. The Term Loan C Note issued to each Term Loan C Lender shall be in substantially the form of Exhibit 2.3.2.

2.4. Supplemental Credit.

2.4.1. Request for Supplemental Facilities. Subject to all the terms of this Agreement and so long as no Default exists and is continuing, from time to time the Borrower may request, by written notice to the Administrative Agent, a revolving credit and/or term loan facility (a "Supplemental Facility") in a specified aggregate amount (in the case of a revolving credit facility requested under this Section 2.4.1, the "Maximum Amount of Relevant Supplemental Revolving Credit") that, when added to the sum of then effective Supplemental Facilities (including the Supplemental Restatement Revolving Facility), does not exceed (a) $700,000,000 minus (b) the amount, if any, by which (i) the sum of the Commitment in respect of the Revolving Loan and the Commitment in respect of the New Restatement Revolving Loan (in each case as of the Second Restatement Effective Date) exceeds (ii) the Commitment in respect of the Revolving Loan immediately prior to the Second Restatement Effective Date (the

"Maximum Amount of Supplemental Credit"). The interest rate, commitment fee rate, amortization schedule, maturity date and other terms and conditions for each Supplemental Facility shall be proposed by the Borrower at the time the Borrower requests such Supplemental Facility; provided, however, that (a) the final maturity of such Supplemental Facility shall in no event occur prior to the Final Term Loan C Maturity Date, (b) the Weighted Average Life to Maturity of such Supplemental Facility shall in no event be shorter than, if the Supplemental Facility is a revolving credit loan, the Weighted Average Life to Maturity of the Revolving Loan and, if the Supplemental Facility is a term loan, the Weighted Average Life to Maturity of Term Loan C and (c) the terms and conditions of such Supplemental Facility shall be materially no more restrictive on the Restricted Companies than the provisions of this Agreement applicable to the Loan. It is understood that no portion of the New Restatement Revolving Facility constitutes a Supplemental Facility.

Upon receipt of such request and proposed terms, the Administrative Agent will promptly notify, and deliver a copy of such request and related materials to, each other Lender (by telephone or otherwise). Within 10 Banking Days after receipt by the Lenders of such request, each Lender interested in participating in the requested Supplemental Facility shall notify the Administrative Agent and the Borrower of its desire to participate and the maximum amount of its proposed Commitment with respect to such Supplemental Facility (a "Commitment Notice"); provided, however, that each Lender may participate in such Supplemental Facility in its sole discretion, and, except as otherwise provided in Section 2.4.5, no Lender shall have any obligation to participate in any Supplemental Facility unless and until it commits to do so as provided in this Section 2.4.1. Following receipt of such Commitment Notices, the Borrower (i) shall allocate the Commitments with respect to such Supplemental Facility, which allocations may be made, at the Borrower's option, in whole or in part to one or more of the Lenders or other lenders selected by the Borrower (such Lenders or other lenders, the "Supplemental Lenders"), (ii) shall select one or more financial institutions (which financial institutions may, but need not, include one or more of the Agents or Lenders) to serve as the agent or agents for the Supplemental Facility (such agent or agents, the "Supplemental Agent") and (iii) shall advise each Lender of the amount of such Lender's Commitment with respect to the Supplemental Facility; provided, however, that the existing Lenders providing a Commitment Notice with respect to such Supplemental Facility shall be entitled to participate in such Supplemental Facility on terms and conditions generally applicable to all Supplemental Lenders with respect to such Supplemental Facility, subject, however, to the allocations made by the Borrower pursuant to clause (i) above. Supplemental Lenders and Supplemental Agents not otherwise Lenders hereunder shall become Lenders hereunder pursuant to a joinder agreement reasonably satisfactory to the Specified Agents and the Borrower. The Specified Agents and the Borrower will agree on amendments to this Agreement, if any, necessary to implement any Supplemental Facility and a form of Supplemental Note to be issued by the Borrower in connection with such Supplemental Facility.

2.4.2. Supplemental Facilities. Subject to all the terms and conditions of this Agreement and so long as no Default exists and is continuing, from time to time prior to the final maturity of the Supplemental Facility determined in accordance with Section 2.4.1, the Supplemental Lenders will, severally in accordance with their respective Commitments therein, make loans to the Borrower with respect to such Supplemental Facility as may be requested by the Borrower in accordance with Section 2.4.3. The aggregate principal amount of outstanding revolving loans under any Supplemental Facility shall in no event exceed the Maximum Amount of Relevant Supplemental Revolving Credit for such Supplemental Facility. The sum of the aggregate principal amount of outstanding loans under all Supplemental Facilities shall in no event exceed the Maximum Amount of Supplemental Credit.

2.4.3. Borrowing Requests. After a Supplemental Facility has been established as provided in this Section 2.4, the Borrower may from time to time request a loan under this Section 2.4 by providing to the Supplemental Agent and the Administrative Agent a written notice in accordance with

Section 2.4.1. Such notice must be not later than noon (Houston time) on the first Banking Day (third Banking Day if any portion of such loan will be subject to a Eurodollar Pricing Option on the requested Closing Date) prior to the requested Closing Date for such loan. The notice must specify (a) the amount of the requested loan (which shall be not less than $500,000 and an integral multiple of $100,000) and (b) the requested Closing Date therefor (which shall be a Banking Day). Upon receipt of such notice, the Supplemental Agent will promptly inform each Supplemental Lender participating in such Supplemental Facility (by telephone or otherwise). Each such loan will be made at the office of the Supplemental Agent specified by such Supplemental Agent by depositing the amount thereof to the general account of the Borrower with the Supplemental Agent or by wire transfer as the Borrower may direct in writing to the Supplemental Agent. In connection with each such loan, the Borrower shall furnish to the Supplemental Agent and the Administrative Agent a certificate in substantially the form of Exhibit 5.2.1 and any additional information the Supplemental Agent, Administrative Agent or any Lender shall reasonably request. For the purposes of this Section 2.4.3, the Supplemental Agent in respect of the Supplemental Restatement Revolving Facility shall be the Administrative Agent.

2.4.4. Supplemental Notes. The aggregate principal amount of the loans outstanding from time to time under this Section 2.4 (including the Supplemental Restatement Revolving Loan) is referred to as the "Supplemental Loan". The Administrative Agent shall keep a record of the Supplemental Loan and the interests of the respective Lenders therein as part of the Register, which shall evidence the Supplemental Loan. The Supplemental Loan shall be deemed owed to each Lender having a Commitment therein severally in accordance with such Lender's Percentage Interest therein, and all payments thereon shall be for the account of each Lender in accordance with its Percentage Interest therein. Upon request of any Lender, the Borrower's obligations to pay such Lender's Percentage Interest in the Supplemental Loan shall be evidenced by a separate note of the Borrower (the "Supplemental Note"), payable to such Lender in accordance with such Lender's Percentage Interest in the Supplemental Loan.

2.4.5. Supplemental Restatement Revolving Facility. Effective on the First Restatement Effective Date, certain Lenders (the "Supplemental Restatement Revolving Lenders") agreed to provide a Supplemental Facility (the "Supplemental Restatement Revolving Facility") having the terms and conditions set forth in this Agreement. Subject to all of the terms and conditions of this Agreement and so long as no Default exists and is continuing, each Supplemental Restatement Revolving Lender severally agrees to make revolving loans to the Borrower in an aggregate principal amount for all Supplemental Restatement Revolving Lenders equal to the amount requested in accordance with this Section 2.4.5 from time to time prior to the Final Supplemental Restatement Revolving Maturity Date, but not to exceed at any time outstanding the Maximum Amount of Supplemental Restatement Revolving Credit. In no event will the principal amount of the loans at any one time outstanding made by any Supplemental Restatement Revolving Lender under this Section 2.4.5 exceed an amount equal to such Revolving Lender's Percentage Interest in the Maximum Amount of Supplemental Restatement Revolving Credit.

"Maximum Amount of Supplemental Restatement Revolving Credit" means, on any date, the amount set forth for such date in the table below, reduced as provided further below:

Date	Stated Amount	Percentage Reduction
Prior to March 31, 2003	$110,000,000	0.000%
March 31, 2003 through June 29, 2003	$108,625,000	1.250%
June 30, 2003 through September 29, 2003	$107,250,000	1.250%
September 30, 2003 through December 30, 2003	$105,875,000	1.250%
December 31, 2003 through March 30, 2004	$104,500,000	1.250%
March 31, 2004 through June 29, 2004	$102,437,500	1.875%
June 30, 2004 through September 29, 2004	$100,375,000	1.875%
September 30, 2004 through December 30, 2004	$ 98,312,500	1.875%
December 31, 2004 through March 30, 2005	$ 96,250,000	1.875%
March 31, 2005 through June 29, 2005	$ 93,500,000	2.500%
June 30, 2005 through September 29, 2005	$ 90,750,000	2.500%
September 30, 2005 through December 30, 2005	$ 88,000,000	2.500%
December 31, 2005 through March 30, 2006	$ 85,250,000	2.500%
March 31, 2006 through June 29, 2006	$ 79,750,000	5.000%
June 30, 2006 through September 29, 2006	$ 74,250,000	5.000%

Date	Stated Amount	Percentage Reduction
September 30, 2006 through December 30, 2006	$68,750,000	5.000%
December 31, 2006 through March 30, 2007	$63,250,000	5.000%
March 31, 2007 through June 29, 2007	$47,437,500	14.375%
June 30, 2007 through September 29, 2007	$31,625,000	14.375%
September 30, 2007 up to the Final Supplemental statement Revolving Maturity Date	$15,812,500	14.375%
Final Supplemental Restatement Revolving Maturity Date	$ 0	14.375%

In addition, each amount in the foregoing table shall be further permanently reduced by the following amounts:

(a) The sum of the Pro Rata Supplemental Restatement Revolver Prepayment Portions applicable to the reduction date for such amount set forth in such table of the respective amounts of Net Cash Proceeds from Operating Asset Sales to the extent that such Net Cash Proceeds are not applied to repay the Revolving Loan, the New Restatement Revolving Loan, the Term Loans or any other Supplemental Loan pursuant to Section 4.4 or allocated to an effective Asset Reinvestment Reserve Amount.

(b) The amount of Net Debt Proceeds to the extent that such amount is allocated to the permanent reduction of the Maximum Amount of Supplemental Restatement Revolving Credit by Section 4.5.

(c) Such amount (in an integral multiple of $1,000,000 and in a minimum amount of $1,000,000) specified by three Banking Days' notice from the Borrower to the Administrative Agent.

The aggregate principal amount of the loans made pursuant to this Section 2.4.5 at any time outstanding is referred to as the "Supplemental Restatement Revolving Loan".

2.5. New Restatement Revolving Facility.

2.5.1. New Restatement Revolving Loan. Effective on the Second Restatement Effective Date, the Lenders (the "New Restatement Revolving Lenders") listed as "New Restatement Revolving Lenders" on Exhibit 11.1 shall provide a revolving credit facility (the "New Restatement Revolving Facility") having the terms and conditions set forth in this Agreement. Subject to all of the terms and conditions of this Agreement and so long as no Default exists and is continuing, each New Restatement Revolving Lender severally agrees to make revolving loans to the Borrower in an aggregate principal amount for all New Restatement Revolving Lenders equal to the amount requested in accordance with this Section 2.5.2 from time to time prior to the Final New Restatement Revolving Maturity Date, but not to exceed at any time outstanding the Maximum Amount of New Restatement Revolving Credit. In no event will the principal amount of the loans at any one time outstanding made by any New Restatement Revolving Lender under this Section 2.5 exceed an amount equal to such Revolving Lender's Percentage Interest in the Maximum Amount of New Restatement Revolving Credit.

"Maximum Amount of New Restatement Revolving Credit" means, on any date, the amount set forth for such date in the table below, reduced as provided further below:

Date	Stated Amount	Percentage Reduction
Prior to March 31, 2005	$670,000,000	0.000%
March 31, 2005 through June 29, 2005	$636,500,000	5.000%
June 30, 2005 through September 29, 2005	$603,000,000	5.000%
September 30, 2005 through December 30, 2005	$569,500,000	5.000%
December 31, 2005 through March 30, 2006	$536,000,000	5.000%
March 31, 2006 through June 29, 2006	$452,250,000	12.500%
June 30, 2006 through September 29, 2006	$368,500,000	12.500%
September 30, 2006 through December 30, 2006	$284,750,000	12.500%
December 31, 2006 through March 30, 2007	$201,000,000	12.500%

Date	Stated Amount	Percentage Reduction
March 31, 2007 up to the Final New Restatement Revolving Maturity Date	$100,500,000	15.000%
Final New Restatement Revolving Maturity Date	$ 0	15.000%

In addition, each amount in the foregoing table shall be further permanently reduced by the following amounts:

(a) The sum of the Pro Rata New Restatement Revolver Prepayment Portions applicable to the reduction date for such amount set forth in such table of the respective amounts of Net Cash Proceeds from Operating Asset Sales to the extent that such Net Cash Proceeds are not applied to repay the Revolving Loan, the Term Loans or any Supplemental Loan pursuant to Section 4.4 or allocated to an effective Asset Reinvestment Reserve Amount.

(b) The amount of Net Debt Proceeds to the extent that such amount is allocated to the permanent reduction of the Maximum Amount of New Restatement Revolving Credit by Section 4.5.

(c) Such amount (in an integral multiple of $1,000,000 and in a minimum amount of $1,000,000) specified by three Banking Days' notice from the Borrower to the Administrative Agent.

The aggregate principal amount of the loans made pursuant to this Section 2.5.1 at any time outstanding is referred to as the "New Restatement Revolving Loan".

2.5.2. Borrowing Requests. New Restatement Revolving Loans will be made to the Borrower by the New Restatement Revolving Lenders under Section 2.5.1 on any Banking Day on or after the Second Restatement Effective Date and prior to the Final New Restatement Revolving Maturity Date. Not later than noon (New York time) on the first Banking Day (third Banking Day if any portion of such loan will be subject to a Eurodollar Pricing Option on the requested Closing Date) prior to the requested Closing Date for any such loan, a Financial Officer for the Borrower will give the Administrative Agent notice of its request (which may be given by a telephone call received by a Lending Officer and promptly confirmed in writing), specifying (a) the amount of the requested loan (not less than $1,000,000 and an integral multiple of $100,000) (except to the extent a greater amount may be required in the case of a Eurodollar Pricing Option) and (b) the requested Closing Date therefor. Upon receipt of such notice by the Administrative Agent, the Administrative Agent shall give prompt telephonic or written notice to each Lender. Each such loan will be made at the Houston Office by wire deposit to the Administrative Agent as specified in writing from time to time. In connection with each such loan, the Borrower shall furnish to the Administrative Agent a certificate in substantially the form of Exhibit 5.2.1.

2.5.3. New Restatement Revolving Notes. The Administrative Agent shall keep a record of the New Restatement Revolving Loan and the respective interests of the Lenders therein as part of the Register, which shall evidence the New Restatement Revolving Loan. The New Restatement Revolving Loan shall be deemed owed to each Lender having a Commitment therein severally in accordance with such Lender's Percentage Interest therein, and all payments thereon shall be for the

account of each Lender in accordance with its Percentage Interest therein. Upon written request of any Lender, the Borrower's obligations to pay such Lender's Percentage Interest in the New Restatement Revolving Loan shall be evidenced by a separate note of the Borrower in substantially the form of Exhibit 2.1.3 (with appropriate modifications) (the "New Restatement Revolving Notes"), payable to such Lender in accordance with such Lender's Percentage Interest in the New Restatement Revolving Loan.

2.6. Application of Proceeds.

2.6.1. Loan. Subject to Section 2.6.2, the Borrower will apply the proceeds of the Loan (to the extent made on or after the First Restatement Effective Date) for general purposes, including to finance permitted Investments.

2.6.2. Specifically Prohibited Applications. The Borrower will not, directly or indirectly, apply any part of the proceeds of any extension of credit made pursuant to the Credit Documents to purchase or to carry Margin Stock or to any transaction prohibited by the Credit Documents or by Legal Requirements applicable to the Lenders.

2.7. Nature of Obligations of Lenders to Extend Credit. The Lenders' obligations under this Agreement to make the Loan are several and are not joint or joint and several. If any Lender shall fail to perform its obligations to extend any such credit, the amount of the commitment of the Lender so failing to perform may be assumed by the other Lenders, in their sole discretion, in such proportions as such Lenders may agree among themselves and the Percentage Interests of each other Lender shall be appropriately adjusted, but such assumption and adjustment shall not relieve the Lenders from any of their obligations to make any such extension of credit or to repay any Delinquent Payment required by Section 11.4.

3. Interest; Eurodollar Pricing Options; Fees.

3.1. Interest. The Loan shall accrue and bear interest at a rate per annum which shall at all times equal the Applicable Rate. Prior to any stated or accelerated maturity of the Revolving Loan, the New Restatement Revolving Loan, either Term Loan or the Supplemental Loan, as the case may be, the Borrower will, on each Payment Date, pay the accrued and unpaid interest on the portion of the Loan which was not subject to a Eurodollar Pricing Option. On the last day of each Interest Period or on any earlier termination of any Eurodollar Pricing Option, the Borrower will pay the accrued and unpaid interest on the portion of the Loan which was subject to the Eurodollar Pricing Option which expired or terminated on such date; provided, however, that in the case of any Interest Period longer than three months, the Borrower will also pay the accrued and unpaid interest on the Loan subject to the Eurodollar Pricing Option having such Interest Period every 90 days, beginning on the 90th day after the commencement of such Interest Period (or if any such day is not a Banking Day, the Banking Day immediately preceding such 90th day). On any stated or accelerated maturity of the Revolving Loan, the New Restatement Revolving Loan, either Term Loan or the Supplemental Loan, as the case may be, the Borrower will pay all accrued and unpaid interest on the Revolving Loan, the New Restatement Revolving Loan, the Term Loans or the Supplemental Loan, as the case may be, including any accrued and unpaid interest on the portion of the Loan which is subject to a Eurodollar Pricing Option. All payments of interest hereunder shall be made to the Administrative Agent for the account of each Lender in accordance with the Lenders' respective Percentage Interests.

3.2. Eurodollar Pricing Options.

3.2.1. Election of Eurodollar Pricing Options. Subject to any of the terms and conditions hereof and so long as no Default under Sections 9.1.1, 9.1.5 (except clause (b) thereof) or

9.1.11 exists and is continuing, the Borrower may from time to time, by irrevocable notice from a Financial Officer to the Administrative Agent received no later than noon (New York time) three Banking Days prior to the commencement of the Interest Period selected in such notice, elect to have such portion of the Loan as the Borrower may specify in such notice accrue and bear daily interest during the Interest Period so selected at the Applicable Rate computed on the basis of the Eurodollar Rate. In the event the Borrower, at any time, fails to elect a Eurodollar Pricing Option under this Section 3.2.1 for any portion of the Loan, then such portion of the Loan will accrue and bear interest at the Applicable Rate based on the Base Rate. Simultaneous elections by the Borrower for the same Interest Period of a portion of the Revolving Loan, the New Restatement Revolving Loan, either Term Loan, the Supplemental Loan or all of such Tranches on a combined basis shall be deemed to be the election of a single Eurodollar Pricing Option.

No election under this Section 3.2.1 shall become effective if, prior to the commencement of any such Interest Period, the Administrative Agent determines, in the manner provided below, that (a) the electing or granting of the Eurodollar Pricing Option in question would violate a Legal Requirement or (b) Eurodollar deposits in an amount comparable to the principal amount of the Loan as to which such Eurodollar Pricing Option has been elected and which have a term corresponding to the proposed Interest Period are not readily available in the inter-bank Eurodollar market for delivery at any Eurodollar Office or, by reason of circumstances affecting such market, adequate and reasonable methods do not exist for ascertaining the interest rate applicable to such deposits for the proposed Interest Period.

For purposes of determining ready availability of Eurodollar deposits with respect to a proposed Interest Period, such Eurodollar deposits shall be deemed not readily available if the Required Lenders shall have advised the Administrative Agent by telephone, confirmed in writing or by facsimile, at or prior to noon (New York time) on the second Banking Day prior to the commencement of such proposed Interest Period that, based upon the knowledge of such Lenders of the Eurodollar market and after reasonable efforts to determine the availability of such Eurodollar deposits, such Lenders reasonably determine that Eurodollar deposits in an amount equal to the respective Percentage Interest of such Lenders in the portion of the Loan as to which such Eurodollar Pricing Option has been elected and which have a term corresponding to the Interest Period in question will not be offered in the Eurodollar market to such Lender at a rate of interest that does not exceed the Basic Eurodollar Rate, and the Administrative Agent and the Borrower reasonably concurs in such determination (unless the foregoing results from the creditworthiness of such Lenders or a change in the availability of Eurodollar markets to such Lenders resulting from the failure of such Lenders to comply with legal or regulatory requirements).

3.2.2. Notice to Lenders and Borrower. The Administrative Agent will promptly inform each Lender (by telephone or otherwise and promptly confirmed in writing) of each notice received by it from the Borrower pursuant to Section 3.2.1 and of the Interest Period specified in such notice. Upon determination by the Administrative Agent of the Eurodollar Rate for such Interest Period or in the event no such election shall become effective, the Administrative Agent will promptly notify the Borrower and each Lender (by telephone or otherwise and promptly confirmed in writing) of the Eurodollar Rate so determined or why such election did not become effective.

3.2.3. Selection of Interest Periods. Interest Periods shall be selected so that:

(a) the minimum portion of the Loan subject to any Eurodollar Pricing Option shall be $5,000,000 and an integral multiple of $1,000,000;

(b) no more than 20 Eurodollar Pricing Options shall be outstanding at any one time;

(c) a portion of Term Loan B equal to the amount of the next mandatory prepayment required by Section 4.2.1 shall not be subject to a Eurodollar Pricing Option on the date such mandatory prepayment is required to be made;

(d) a portion of Term Loan C equal to the amount of the next mandatory prepayment required by Section 4.2.2 shall not be subject to a Eurodollar Pricing Option on the date such mandatory prepayment is required to be made;

(e) an aggregate principal amount of the Revolving Loan equal to the amount of the next mandatory prepayment required by Section 4.3 shall not be subject to a Eurodollar Pricing Option on the date such mandatory prepayment is required to be made;

(f) an aggregate principal amount of the New Restatement Revolving Loan equal to the amount of the next mandatory prepayment required by Section 4.3 shall not be subject to a Eurodollar Pricing Option on the date such mandatory prepayment is required to be made;

(g) an aggregate principal amount of the Supplemental Restatement Revolving Loan equal to the amount of the next mandatory prepayment required by Section 4.3 shall not be subject to a Eurodollar Pricing Option on the date such mandatory prepayment is required to be made; and

(h) no Interest Period with respect to any part of the Loan subject to a Eurodollar Pricing Option shall expire later than the Applicable Maturity Date.

3.2.4. Additional Interest. If any portion of the Loan which is subject to a Eurodollar Pricing Option is repaid, or any Eurodollar Pricing Option is terminated for any reason (other than (a) a Legal Requirement not having the force of law or (b) the payment in full of the Credit Obligations as a result of the failure of any Lender to perform its obligations hereunder), on a date which is prior to the last Banking Day of the Interest Period applicable to such Eurodollar Pricing Option, the Borrower will pay to the Administrative Agent for the account of each Lender in accordance with the Lenders' respective Percentage Interests, in addition to any amounts of interest otherwise payable hereunder, an amount equal to daily interest for the unexpired portion of such Interest Period on the portion of the Loan so repaid, or as to which a Eurodollar Pricing Option was so terminated, at a per annum rate equal to the excess, if any, of (i) the Eurodollar Rate calculated on the basis of the rate applicable to such Eurodollar Pricing Option minus (ii) the lowest rate of interest obtainable by the Lenders with respect to Eurodollar deposits which have a maturity date approximating the last Banking Day of such Interest Period. For purposes of this Section 3.2.4, if any portion of the Loan which was to have been subject to a Eurodollar Pricing Option is not outstanding on the first day of the Interest Period applicable to such Eurodollar Pricing Option other than for reasons described in Section 3.2,1, the Borrower shall be deemed to have terminated such Eurodollar Pricing Option. A certificate of an officer of the Administrative Agent setting forth in reasonable detail the basis of calculation of such amount of interest shall, in the absence of manifest error, be conclusive. Except to the extent set forth in Section 12.3, the assignment by any Lender of all or a portion of such Lender's interests, rights and obligations under this Agreement and the other Credit Documents shall not constitute a termination of a Eurodollar Pricing Option.

3.2.5. Change in Applicable Laws, Regulations, etc. If any Legal Requirement having the force of law shall prevent any Lender from funding through the purchase of deposits, or maintaining, any portion of the Loan subject to a Eurodollar Pricing Option or otherwise from giving effect to such Lender's obligations as contemplated hereby (unless the foregoing results from the creditworthiness of such Lender or a change in the availability of Eurodollar markets to such Lender resulting from the failure

of such Lender to comply with legal or regulatory requirements), (a) the Administrative Agent may by notice to the Borrower terminate all of the affected Eurodollar Pricing Options, (b) the portion of the Loan subject to such terminated Eurodollar Pricing Options shall immediately bear interest thereafter at the Applicable Rate computed on the basis of the Base Rate and (c) the Borrower shall make any payment required by Section 3.2.4 to the extent the Applicable Rate based on the Eurodollar Rates for the affected Eurodollar Pricing Options exceeds the Applicable Rate based on the Base Rate. A certificate of an officer of the Administrative Agent describing in reasonable detail such mandatory Legal Requirement and setting forth in reasonable detail a calculation of the payment required by Section 3.2.4 shall, in the absence of manifest error, be conclusive.

3.2.6. Funding Procedure. The Lenders may fund any portion of the Loan subject to a Eurodollar Pricing Option out of any funds available to the Lenders. Regardless of the source of the funds actually used by any of the Lenders to fund any portion of the Loan subject to a Eurodollar Pricing Option, however, all amounts payable hereunder, including the interest rate applicable to any such portion of the Loan and the amounts payable under Sections 3.2.4 and 3.4, shall be computed as if each Lender had actually funded such Lender's Percentage Interest in such portion of the Loan through the purchase of deposits in such amount with a maturity the same as the applicable Interest Period relating thereto and through the transfer of such deposits from an office of the Lender having the same location as the applicable Eurodollar Office to one of such Lender's offices in the United States of America.

3.3. Commitment Fees. In consideration of the Revolving Lenders', the New Restatement Revolving Lenders' and the Supplemental Restatement Revolving Lenders' commitments to make the extensions of credit provided for in Section 2.1, 2.4.5 or 2.5, as the case may be, while such commitments are outstanding, the Borrower will pay to the Administrative Agent for the account of such Lenders, on each Payment Date and on the Final Revolving Maturity Date, the Final New Restatement Revolving Maturity Date or the Final Supplemental Restatement Revolving Maturity Date, as the case may be, commitment fees in an amount equal to the product of:

(a) annual interest at a rate equal to the commitment fee percentage in the table below set opposite the Reference Leverage Ratio as of such date;

multiplied by (b) the amount by which (i) the average daily Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit or Maximum Amount of Supplemental Restatement Revolving Credit, as the case may be, during the three-month period or portion thereof ending on such date exceeded (ii) the average daily Revolving Loan, New Restatement Revolving Loan or Supplemental Restatement Revolving Loan, as the case may be, during such period or portion thereof:

Reference Leverage Ratio	Commitment Fee Percentage
Greater than or equal to 4.00	0.375%
Less than 4.00	0.250%

Any adjustment in the commitment fee percentage shall take effect on the third Banking Day following the receipt by the Administrative Agent of the financial statements required to be furnished by Sections 7.4.1 or 7.4.2; provided, however, that if for any reason the Restricted Companies shall not have furnished the financial statements required by Sections 7.4.1 or 7.4.2 for any fiscal quarter by the time required by such Sections, the commitment fee percentage during the period from the date which is three Banking

Days after such financial statements were due until the third Banking Day following receipt by the Administrative Agent of such financial statements shall be 0.375%.

3.4. Taxes. If (a) any Lender shall be subject to any Tax or (b) the Borrower shall be required to withhold or deduct any Tax, the Borrower will on demand by the Administrative Agent or such Lender, accompanied by the certificate referred to below, pay to the Administrative Agent for such Lender's account such additional amount as is necessary to enable such Lender to receive net of any Tax the full amount of all payments of principal, interest, fees, expenses, indemnities and other amounts payable by the Borrower to such Lender under any Credit Document. Each Lender agrees that if, after the payment by the Borrower of any such additional amount, any amount identifiable as a part of any Tax related thereto is subsequently recovered or used as a credit by such Lender, such Lender shall reimburse the Borrower to the extent of the amount so recovered or used. A certificate of an officer of such Lender setting forth the amount of such Tax or recovery or use and the basis therefor shall, in the absence of manifest error, be conclusive. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

3.5. Capital Adequacy. Except as provided in Section 3.6, if any Lender shall have determined that compliance by such Lender with any change after the date hereof in any applicable law, governmental rule, regulation or order regarding capital adequacy of banks or bank holding companies, or any interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender with any request or directive regarding capital adequacy if such Lender reasonably believes that compliance therewith is in accordance with customary commercial practice (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender could have achieved but for such compliance (taking into consideration such Lender's policies with respect to capital adequacy immediately before such compliance and assuming that such Lender's capital was fully utilized prior to such compliance) by an amount deemed by such Lender to be material, then the Borrower will on demand by the Administrative Agent, accompanied by the certificate referred to below, pay to the Administrative Agent from time to time as specified by such Lenders as are so affected such additional amounts as shall be sufficient to compensate such Lenders for such reduced return, together with interest on each such amount from 15 Banking Days after the date demanded until payment in full thereof at the rate of interest on overdue installments of principal provided in Section 3.1. A certificate of an officer of any such Lender setting forth the amount to be paid to it and the basis for computation thereof hereunder shall, in the absence of manifest error, be conclusive. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

3.6. Regulatory Changes. If any Lender shall have determined that (a) any change in any Legal Requirement after the date hereof shall directly or indirectly (i) reduce the amount of any sum received or receivable by such Lender with respect to the Loan or the return to be earned by such Lender on the Loan, (ii) impose a cost on such Lender or any Affiliate of such Lender that is attributable to the making or maintaining of, or such Lender's commitment to make, its portion of the Loans, (iii) require such Lender or any Affiliate of such Lender to make any payment on or calculated by reference to the gross amount of any amount received by such Lender under any Credit Document, or (iv) reduce, or have the effect of reducing, the rate of return on any capital of such Lender or any Affiliate of such Lender that such Lender or such Affiliate is required to maintain on account of the Loan or such Lender's Commitment and (b) such reduction, increased cost or payment shall not be fully compensated for by an adjustment in the Applicable Rate, then the Borrower shall pay to such Lender (without duplication of payments to other Lenders) such additional amounts as such Lender determines will, together with any adjustment in the Applicable Rate, fully compensate for such reduction, increased cost or payment,

together with interest on each such amount from 15 Banking Days after the date demanded until payment in full thereof at the then highest Applicable Rate. A certificate of an officer of such Lender setting forth in reasonable detail the amount to be paid to it and the basis for computation thereof hereunder shall, in the absence of manifest error, be conclusive. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

3.7. Computations of Interest and Fees. For purposes of this Agreement, interest and commitment fees (and any amount expressed as interest) shall be computed on a daily basis and (a) with respect to any portion of the Loan subject to a Eurodollar Pricing Option, on the basis of a 360-day year and (b) with respect to commitment fees and any other portion of the Loan, on the basis of a 365- or 366-day year, as the case may be.

3.8. Interest Limitation. Notwithstanding any other provision of this Agreement or any other Credit Document, the maximum amount of interest that may be charged to or collected from the Borrower by any Lender under this Agreement or any other Credit Document shall in no event exceed the maximum amount of interest that could lawfully be charged or collected under applicable law. Any provision of this Agreement or any other Credit Document that could be construed as providing for interest in excess of such lawful maximum shall be expressly subject to this Section 3.8. Any part of the Credit Obligations consisting of amounts to be paid to any Lender for the use, forbearance or retention of the Credit Obligations shall, to the extent permitted by applicable law, be allocated throughout the full term of the Credit Obligations until payment in full of the Credit Obligations (including any renewal or extension thereof) so that interest on account of the Credit Obligations shall not exceed the maximum amount permitted by applicable law.

4. Payment.

4.1. Payment at Maturity. On the Applicable Maturity Date or any accelerated maturity of any portion of the Loan, the Borrower will pay to the Administrative Agent for the account of each Lender for credit to the Revolving Loan, New Restatement Revolving Loan, Term Loan B, Term Loan C or the Supplemental Loan, as the case may be, an amount equal to the Revolving Loan, New Restatement Revolving Loan, Term Loan B Term Loan C or the Supplemental Loan, as the case may be, then due, together with all accrued and unpaid interest and any fees thereon, and on the latest Applicable Maturity Date or any earlier accelerated maturity of the Loan, all other Credit Obligations then outstanding under the Credit Documents.

4.2. Fixed Required Prepayments.

4.2.1. Term Loan B. On the last Banking Day of March, June, September and December, beginning March 31, 1999, the Borrower will pay to the Administrative Agent, for the account of the Lenders as a prepayment of Term Loan B the lesser of (a) $500,000, as adjusted after the date hereof in accordance with this Section 4, or (b) the amount of Term Loan B then outstanding, in each case, together with accrued interest on such amount prepaid, and a final payment of the balance of Term Loan B on the Final Term Loan B Maturity Date.

4.2.2. Term Loan C. On the last Banking Day of each March, June, September and December, beginning March 31, 1999, the Borrower will pay to the Administrative Agent, for the account of the Lenders as a prepayment of Term Loan C, the lesser of (a) $750,000, as adjusted after the date hereof in accordance with this Section 4, or (b) the amount of Term Loan C then outstanding, in each case together with accrued interest on such prepaid amount, and a final payment of the balance of Term Loan C on the Final Term Loan C Maturity Date.

4.2.3. Supplemental Loan. The schedule for prepayments of each Supplemental Facility shall be determined in accordance with Section 2.4.

4.3. Maximum Amount of Revolving Credit, etc. If at any time the Revolving Loan exceeds the Maximum Amount of Revolving Credit, the Borrower will immediately pay the amount of such excess to the Administrative Agent for the account of the Revolving Lenders as a mandatory prepayment of the Revolving Loan. If at any time the New Restatement Revolving Loan exceeds the Maximum Amount of New Restatement Revolving Credit, the Borrower will immediately pay the amount of such excess to the Administrative Agent for the account of the New Restatement Revolving Lenders as a mandatory prepayment of the New Restatement Revolving Loan. If at any time a revolving portion of the Supplemental Loan exceeds the applicable Maximum Amount of Relevant Supplemental Revolving Credit, the Borrower will immediately pay the amount of such excess to the Administrative Agent for the account of the Lenders participating therein as a mandatory prepayment of such Supplemental Loan.

4.4. Asset Sales.

4.4.1. Operating Asset Sale Notice. In the event that the Restricted Companies sell, exchange or dispose of Operating Assets in a transaction (excluding a transaction permitted by Section 7.11.1 or Section 7.11.2, but including a Permitted Asset Swap to the extent of the amount of cash received by the Restricted Companies) (each, an "Operating Asset Sale"), the Borrower shall, within five days after such Operating Asset Sale, provide written notice to the Administrative Agent of (a) the closing date for such Operating Asset Sale, (b) the amount of Net Cash Proceeds (if any, in the case of an exchange) therefrom, (c) whether any portion of the Net Cash Proceeds will be reserved as an Asset Reinvestment Reserve Amount in accordance with Section 4.4.3, (d) how much of the Revolving Loan, the New Restatement Revolving Loan, the Term Loan and the Supplemental Loan will be prepaid with the Net Cash Proceeds in accordance with Section 4.4.2, (e) a revised schedule of reductions in the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit and any Maximum Amount of Relevant Supplemental Revolving Credit giving effect to such prepayment, (f) a revised schedule of mandatory prepayments of each of Term Loan B and Term Loan C giving effect to such prepayment and (g) a revised schedule of mandatory prepayments of the Supplemental Loan giving effect to such prepayment.

4.4.2. Prepayment on Sale. The Loan shall be repaid in accordance with this Section 4.4 to the extent that (a) the Net Cash Proceeds of the Operating Asset Sale described in such written notice exceeds 15% of Consolidated Operating Cash Flow for the period of four fiscal quarters of the Restricted Companies ending on the last day of the fiscal quarter ending immediately prior to the date of the Operating Asset Sale and (b) such excess Net Cash Proceeds are not subject to an effective Asset Reinvestment Reserve Amount in accordance with Section 4.4.3.

4.4.3. Asset Reinvestment Reserve Amount. The Borrower may elect to reserve Net Cash Proceeds described in Section 4.4.2(a) for reinvestment (directly or by stock purchase, merger or otherwise, provided any entity so acquired becomes a Restricted Company) in replacement Operating Assets. The amount so reserved (the "Asset Reinvestment Reserve Amount") must be so applied within 540 days after the Operating Asset Sale creating the Asset Reinvestment Reserve Amount. In the event the Asset Reinvestment Reserve Amount is not reinvested within such 540-day period (or if the Borrower abandons its plans for the reinvestment of the Asset Reinvestment Reserve Amount), the Borrower shall notify the Administrative Agent within three Banking Days and specify (a) how much of the Revolving Loan, the New Restatement Revolving Loan, the Term Loan and the Supplemental Loan will be prepaid with the Asset Reinvestment Reserve Amount in accordance with Section 4.4.4, (b) a revised schedule of

reductions in the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit and any Maximum Amount of Relevant Supplemental Revolving Credit giving effect to such prepayment, (c) a revised schedule of mandatory prepayments of each of Term Loan B and Term Loan C giving effect to such prepayment and (d) a revised schedule of mandatory prepayments of the Supplemental Loan giving effect to such prepayment.

4.4.4. Allocations of Prepayment. Prepayments of the Loan (and reductions in the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit and any Maximum Amount of Relevant Supplemental Revolving Credit) made pursuant to this Section 4.4 will be allocated to the Revolving Loan, New Restatement Revolving Loan, Term Loan B, Term Loan C and the Supplemental Loan, pro rata in proportion to the relative size of the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit, any Maximum Amount of Relevant Supplemental Revolving Credit, Term Loan B, Term Loan C and the term portions of the Supplemental Loan, and prepayments of Term Loan B, Term Loan C and the term portions of the Supplemental Loan under this Section 4.4 shall be applied to the prepayments required under Section 4.2 pro rata over the remaining payments in accordance with the Pro Rata Term Prepayment Portions. All such prepayments (and reductions in the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit and any Maximum Amount of Relevant Supplemental Revolving Credit) must be made within five Banking Days after the Operating Asset Sale or the termination of effectiveness of an Asset Reinvestment Reserve Amount, as the case may be.

4.5. Designated Financing Debt. Upon, or within five days prior to, the incurrence by any of the Restricted Companies of Designated Financing Debt, the Borrower shall provide written notice to the Lenders of the closing date for such incurrence and the amount of Net Debt Proceeds. Such Net Debt Proceeds shall be applied to the prepayment of the Revolving Loan, New Restatement Revolving Loan, Term Loan B, Term Loan C and the Supplemental Loan, pro rata in proportion to the relative size of the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit, any Maximum Amount of Relevant Supplemental Revolving Credit, Term Loan B, Term Loan C and the term portions of the Supplemental Loan, and prepayments of Term Loan B, Term Loan C and term portions of the Supplemental Loan under this Section 4.5 shall be applied to the prepayments required under Section 4.2 pro rata over the remaining payments in accordance with the Pro Rata Term Prepayment Portions. All such payments (and reductions in the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit and any Maximum Amount of Relevant Supplemental Revolving Credit) must be made within five Banking Days after the incurrence of the Designated Financing Debt.

4.6. Voluntary Prepayments. In addition to the prepayments required by Sections 4.2, 4.3, 4.4 and 4.5, the Borrower may from time to time prepay all or any portion of the Loan (in a minimum amount of $1,000,000 and an integral multiple of $100,000), without premium (except as provided in Section 3.2.4 with respect to early termination of Eurodollar Pricing Options). The Borrower shall give the Administrative Agent at least one Banking Day prior notice in the case of a Revolving Loan, New Restatement Revolving Loan or revolving portion of the Supplemental Loan prepayment (three Banking Days' prior notice if any portion of the Revolving Loan, New Restatement Revolving Loan or revolving portion of the Supplemental Loan to be repaid is subject to a Eurodollar Pricing Option) and at least five Banking Days' prior notice in the case of a Term Loan or term portion of the Supplemental Loan prepayment, specifying the date of payment, the total principal amount of the Revolving Loan, New Restatement Revolving Loan, Term Loan or Supplemental Loan to be paid on such date and the amount of interest to be paid with such prepayment (and any amounts due with respect to early termination of Eurodollar Pricing Options under Section 3.2.4). Any prepayment of the Revolving Loan, New Restatement Revolving Loan or revolving portion of the Supplemental Loan made pursuant to this Section 4.6 may, at the Borrower's option as indicated in the notice delivered pursuant to the preceding

sentence, permanently reduce the Maximum Amount of Revolving Credit, Maximum Amount of New Restatement Revolving Credit or Maximum Amount of Relevant Supplemental Revolving Credit, as the case may be. The effectiveness of such notice may, at the Borrower's option, be conditioned on the closing of a credit facility the proceeds of which will be used to prepay the Loan, or the effectiveness of Investments or acquisitions permitted by Section 7.9 or mergers, consolidations or dispositions of assets permitted by Section 7.11, in which case such notice may be revoked by the Borrower (by notice delivered in accordance with this Section 4.6) if such condition is not satisfied without any liability to the Lenders. If such condition is satisfied, such notice shall be deemed to have been effective as of the date of the giving of such notice. All prepayments of Term Loan B, Term Loan C or the term portions of the Supplemental Loan under this Section 4.6 shall be applied to the prepayments required under Section 4.2 pro rata over the remaining payments. With respect to the amount of such prepayment allocated to the Term Loan in accordance with the previous sentence, the Borrower may allocate the first $80,000,000 of such prepayment either pro rata in proportion to the relative size of Term Loan B and Term Loan C or disproportionately to Term Loan C, as the Borrower may elect. To the extent of aggregate prepayments over $80,000,000, such excess amounts shall be allocated pro rata in proportion to the relative size of Term Loan B and Term Loan C.

4.7. Application of Payments. Any prepayment of the Revolving Loan, New Restatement Revolving Loan, Term Loan or the Supplemental Loan, as the case may be, shall be applied first to the portion of the Revolving Loan, New Restatement Revolving Loan, Term Loan or the Supplemental Loan, as the case may be, not then subject to Eurodollar Pricing Options, then the balance of any such prepayment shall be applied to the portion of the Revolving Loan, New Restatement Revolving Loan, Term Loan or Supplemental Loan, as the case may be, then subject to Eurodollar Pricing Options, in the chronological order of the respective maturities thereof (or as the Restricted Companies may otherwise specify), together with any payments required by Section 3.2.4 with respect to early termination of Eurodollar Pricing Options. All payments of principal hereunder shall be made to the Administrative Agent for the account of each Lender in accordance with the Lenders' respective Percentage Interests. The amounts of the Term Loan or term portion of the Supplemental Loan prepaid pursuant to Sections 4.2, 4.4, 4.5 or 4.6 may not be reborrowed.

5. Conditions to Extending Credit.

5.1. Conditions to Effectiveness of Amendment and Restatement. The amendment and restatement of the Existing Credit Agreement pursuant to this Agreement shall become effective on the date (the "Second Restatement Effective Date") on which the following conditions shall have been satisfied:

5.1.1. Consents. The Administrative Agent shall have received Lender Consent Letters from the Required Lenders (including, in any event, each New Restatement Revolving Lender, except as described in the last two sentences of the first paragraph of Section 1) authorizing it to enter into this Agreement.

5.1.2. Agreement. This Agreement shall have been executed and delivered by the Borrower, the Guarantors and the Administrative Agent.

5.1.3. Officer's Certificate; Proper Proceedings. After giving effect to this Agreement, each of the conditions specified in Section 5.2.1 (other than clause (c) thereof) and 5.2.2 shall have been satisfied as if the Second Restatement Effective Date were a "Closing Date".

5.1.4. Payment of Fees. The Borrower shall have paid to the Administrative Agent the fees due on the Second Restatement Effective Date in the amounts agreed separately by the Borrower and the Administrative Agent, including (a) an upfront fee payable to each Lender providing a Commitment in respect of the New Restatement Revolving Loan effective on the Second Restatement Effective Date in an amount separately agreed upon and (b) an amendment fee payable to each consenting Lender in an amount equal to 0.125% of the sum of its Term Loan, its Commitment in respect of the Revolving Loan (other than any portion thereof that is converted into a Commitment in respect of the New Restatement Revolving Loan pursuant to this Agreement) and its Commitment in respect of the Supplemental Restatement Revolving Loan.

5.1.5. Legal Opinions. On the Second Restatement Effective Date, the Lenders shall have received the legal opinion of Irell & Manella LLP, counsel to the Restricted Companies and Charter Communications VII, with respect to the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement, which opinion shall be in form and substance reasonably satisfactory to the Administrative Agent. The Restricted Companies authorize and direct their counsel to furnish such opinion.

5.2. Conditions to Each Extension of Credit. The obligations of the Lenders to make any extension of credit pursuant to Section 2 shall be subject to the satisfaction, on or before the Closing Date for such extension of credit, of the following conditions:

5.2.1. Officer’s Certificate. (a) The representations and warranties contained in Sections 6.6 and 8 and in sections 2.2 and 4 of the Pledge and Subordination Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though originally made on and as of such date (except for those representations and warranties as of a specified earlier date, which shall have been true and correct as of such date); (b) no Default shall exist and be continuing on such Closing Date prior to or immediately after giving effect to the requested extension of credit; (c) as of the Closing Date, no Material Adverse Change shall have occurred; and (d) the Borrower shall have furnished to the Administrative Agent on such Closing Date a certificate to such effect in substantially the form of Exhibit 5.2.1, signed by a Financial Officer.

5.2.2. Proper Proceedings. This Agreement, each other Credit Document and the extensions of credit and the granting of the security interests contemplated hereby and thereby shall have been authorized by all necessary proceedings of each Obligor and any of their respective Affiliates party thereto. All necessary consents, approvals and authorizations of any governmental or administrative agency or any other Person with respect to the foregoing shall have been obtained and shall be in full force and effect. The Administrative Agent shall have received copies of all documents, including certificates, records of corporate, partnership and limited liability company proceedings and opinions of counsel, which the Administrative Agent may have reasonably requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

5.2.3. Legality, etc. The making of the requested extension of credit shall not (a) subject any Lender to any penalty or special tax (other than a Tax for which the Borrower has reimbursed the Lenders under Section 3.4), (b) be prohibited by any law or governmental order or regulation applicable to any Lender or any Obligor or (c) violate any mandatory credit restraint program of the executive branch of the government of the United States of America, the Board of Governors of the Federal Reserve System or any other governmental or administrative agency.

5.3. Conditions on Supplemental Facility Closing Dates. The obligations of the Supplemental Lenders to make any extension of credit pursuant to a Supplemental Facility pursuant to

Section 2.4 (to the extent the Supplemental Lenders agreed to become so obligated) shall be subject to the satisfaction, on or before the initial Closing Date for such Supplemental Facility, of the conditions set forth in this Section 5.3, as well as the further conditions of Section 5.2.

5.3.1. Supplemental Notes. The Borrower shall have duly executed and delivered to the Administrative Agent any Supplemental Note requested by any Supplemental Lender having a Commitment therein.

5.3.2. Joinder Agreement. Any new Lenders participating in such Supplemental Facility shall have executed and delivered a joinder agreement reasonably satisfactory to the Administrative Agent and the Borrower pursuant to which each such new Lender agrees to become a party to and be bound by this Agreement.

5.3.3. Legal Opinions. On such Closing Date, the Lenders shall have received legal opinions satisfactory to the Supplemental Lenders and the Administrative Agent from counsel to the Borrower.

5.3.4. General. All legal, corporate, limited liability company and partnership proceedings in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Administrative Agent and the Administrative Agent shall have received copies of all documents which the Administrative Agent may have reasonably requested in connection with such Supplemental Facility. All other conditions as may be reasonably determined by the Administrative Agent and set forth in the written commitments with respect to such Supplemental Facility, including the payment of any syndication or closing fees which are so set forth, shall be reasonably satisfactory in form and substance to the Administrative Agent.

6. Guarantees.

6.1. Guarantees of Credit Obligations. Each Guarantor unconditionally jointly and severally guarantees that the Credit Obligations incurred by the Borrower or any other Obligor will be performed and will be paid in full in cash when due and payable, whether at the stated or accelerated maturity thereof or otherwise, this guarantee being a guarantee of payment and not of collectability and being absolute and in no way conditional or contingent. In the event any part of such Credit Obligations shall not have been so paid in full when due and payable, such Guarantor will, immediately upon written notice by the Administrative Agent or, without notice, immediately upon the occurrence of a Bankruptcy Default, pay or cause to be paid to the Administrative Agent for the Lenders' account the amount of such Credit Obligations which are then due and payable and unpaid. The obligations of each Guarantor hereunder shall not be affected by the invalidity, unenforceability or irrecoverability of any of the Credit Obligations as against any Obligor, any other guarantor thereof or any other Person. For purposes hereof, the Credit Obligations shall be due and payable when and as the same shall be due and payable under the terms of this Agreement or any other Credit Document notwithstanding the fact that the collection or enforcement thereof may be stayed or enjoined under the Bankruptcy Code, as from time to time in effect, or other applicable law. Anything herein or in any other Credit Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 6.9).

6.2. Continuing Obligation. Each Guarantor acknowledges that the Lenders have entered into this Agreement (and, to the extent that the Lenders may enter into any future Credit

Document, will have entered into such agreement) in reliance on this Section 6 being a continuing irrevocable agreement, and such Guarantor agrees that its guarantee may not be revoked in whole or in part. The obligations of the Guarantors hereunder shall terminate when the commitment of the Lenders to extend credit under this Agreement shall have terminated and all of the Credit Obligations have been indefeasibly paid in full in cash and discharged; provided, however, that:

(a) if a claim is made upon the Lenders at any time for repayment or recovery of any amounts or any property received by the Lenders from any source on account of any of the Credit Obligations and the Lenders repay or return any amounts or property so received (including interest thereon to the extent required to be paid by the Lenders) or

(b) if the Lenders become liable for any part of such claim by reason of (i) any judgment or order of any court or administrative authority having competent jurisdiction, or (ii) any settlement or compromise of any such claim,

then the Guarantors shall remain liable under this Agreement for the amounts so repaid or returned or the amounts for which the Lenders become liable (such amounts being deemed part of the Credit Obligations) to the same extent as if such amounts had never been received by the Lenders, notwithstanding any termination hereof or the cancellation of any instrument or agreement evidencing any of the Credit Obligations. The Guarantors shall, not later than five days after receipt of notice from the Administrative Agent, jointly and severally pay to the Administrative Agent an amount equal to the amount of such repayment or return for which the Lenders have so become liable. Payments hereunder by a Guarantor may be required by the Administrative Agent on any number of occasions.

6.3. Waivers with Respect to Credit Obligations. Except to the extent expressly required by this Agreement or any other Credit Document, each Guarantor waives, except to the extent prohibited by the provisions of applicable law that may not be waived, all of the following (including all defenses, counterclaims and other rights of any nature based upon any of the following):

(a) presentment, demand for payment and protest of nonpayment of any of the Credit Obligations, and notice of protest, dishonor or nonperformance;

(b) notice of acceptance of this guarantee and notice that credit has been extended in reliance on the Guarantor’s guarantee of the Credit Obligations;

(c) notice of any Default or of any inability to enforce performance of the obligations of any Obligor or any other Person thereunder;

(d) demand for performance or observance of, and any enforcement of any provision of, the Credit Obligations, this Agreement or any other Credit Document or any pursuit or exhaustion of rights or remedies with respect to any Credit Security or against any Obligor or any other Person in respect of the Credit Obligations or any requirement of diligence or promptness on the part of the Lenders in connection with any of the foregoing;

(e) any act or omission on the part of the Lenders which may impair or prejudice the rights of the Guarantor, including subrogation rights or rights to obtain exoneration, contribution, indemnification or any other reimbursement from any Obligor or any other Person;

(f) failure or delay to perfect or continue the perfection of any security interest in any Credit Security;

(g) any action which harms or impairs the value of, or any failure to preserve or protect the value of, any Credit Security;

(h) any act or omission which might vary the risk of the Guarantor or otherwise operate as a deemed release or discharge;

(i) any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than the obligation of the principal;

(j) the provisions of any "one action" or "anti-deficiency" law which would otherwise prevent the Lenders from bringing any action, including any claim for a deficiency, against the Guarantor before or after the Lenders' commencement or completion of any foreclosure action, whether judicially, by exercise of power of sale or otherwise, or any other law which would otherwise require any election of remedies by the Lenders;

(k) all demands and notices of every kind with respect to the foregoing; and

(l) to the extent not referred to above, all defenses (other than disputed facts) which any Obligor may now or hereafter have to the payment of the Credit Obligations, together with all suretyship defenses, which could otherwise be asserted by such Guarantor.

No delay or omission on the part of the Lenders in exercising any right under this Agreement or any other Credit Document or under any guarantee of the Credit Obligations or with respect to any Credit Security shall operate as a waiver or relinquishment of such right. No action which the Lenders or any Obligor may take or refrain from taking with respect to the Credit Obligations, including any amendments thereto or modifications thereof or waivers with respect thereto, shall affect the provisions of this Agreement or the obligations of the Guarantor hereunder. None of the Lenders' rights shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Obligor, or by any noncompliance by any Obligor with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof which the Lenders may have or otherwise be charged with.

6.4. Lenders' Power to Waive, etc. Each Guarantor grants to the Lenders full power in their discretion, without notice to or consent of such Guarantor, such notice and consent being hereby expressly waived to the fullest extent permitted by applicable law, and without in any way affecting the liability of the Guarantor under its guarantee hereunder:

(a) to waive compliance with, and any Default under, and to consent to any amendment to or modification or termination of any terms or provisions of, or to give any waiver in respect of, this Agreement, any other Credit Document, any Credit Security, the Credit Obligations or any guarantee thereof (each as from time to time in effect);

(b) to grant any extensions of the Credit Obligations (for any duration), and any other indulgence with respect thereto, and to effect any total or partial release (by operation of law or otherwise), discharge, compromise or settlement with respect to the obligations of the Obligors or any other Person in respect of the Credit Obligations, whether or not rights against the Guarantor under this Agreement are reserved in connection therewith;

(c) to take security from the Restricted Companies or other Obligors in any form for the Credit Obligations, and to consent to the addition to or the substitution, exchange, release or other disposition of, or to deal in any other manner with, any part of any property contained in any Credit Security whether or not the property, if any, received upon the exercise of such power shall be of a character or value the same as or different from the character or value of any property disposed of, and to obtain, modify or release any present or future guarantees of the Credit Obligations and to proceed against any of the Credit Security or such guarantees in any order;

(d) to collect or liquidate or realize upon any of the Credit Obligations or any Credit Security in any manner or to refrain from collecting or liquidating or realizing upon any of the Credit Obligations or the Credit Security; and

(e) to extend credit under this Agreement, any other Credit Document or otherwise in such amount as the Lenders may determine, even though the condition of the Obligors (financial or otherwise on an individual or Consolidated basis) may have deteriorated since the date hereof.

6.5. Information Regarding Obligors, etc. Each Guarantor acknowledges and agrees that it has made such investigation as it deems desirable of the risks undertaken by it in entering into this Agreement and is fully satisfied that it understands all such risks. Each Guarantor waives any obligation which may now or hereafter exist on the part of the Lenders to inform it of the risks being undertaken by entering into this Agreement or of any changes in such risks and each Guarantor undertakes to keep itself informed of such risks and any changes therein. Each Guarantor expressly waives any duty which may now or hereafter exist on the part of the Lenders to disclose to the Guarantor any matter related to the business, operations, character, collateral, credit, condition (financial or otherwise), income or prospects of the Obligors or their Affiliates or their properties or management, whether now or hereafter known by the Lenders. Each Guarantor represents, warrants and agrees that it assumes sole responsibility for obtaining from the Obligors all information concerning this Agreement and all other Credit Documents and all other information as to the Obligors and their Affiliates or their properties or management as such Guarantor deems necessary or desirable.

6.6. Certain Guarantor Representations. Each Guarantor represents that:

(a) it is in its best interest and in pursuit of its partnership, limited liability company or corporate purposes as an integral part of the business conducted and proposed to be conducted by the Restricted Companies (including such Guarantor), and reasonably necessary and convenient in connection with the conduct of the business conducted and proposed to be conducted by it, to induce the Lenders to enter into this Agreement and to extend credit to the Borrower by making the Guarantees contemplated by this Section 6;

(b) the credit available hereunder will directly or indirectly inure to its benefit; and

(c) by virtue of the foregoing it is receiving at least reasonably equivalent consideration from the Lenders for its Guarantee.

Each Guarantor acknowledges that it has been advised by the Administrative Agent that the Lenders are unwilling to enter into this Agreement unless the Guarantees contemplated by this Section 6 are given by it. Each Guarantor represents that:

(i) it will not be rendered insolvent as a result of entering into this Agreement,

(ii) after giving effect to the transactions contemplated by this Agreement it will have assets having a fair saleable value in excess of the amount required to pay its probable liability on its existing debts as they have become absolute and matured,

(iii) it has, and will have, access to adequate capital for the conduct of its business and

(iv) it has the ability to pay its debts from time to time incurred in connection therewith as such debts mature.

6.7. No Subrogation. Until the Credit Obligations have been indefeasibly paid in full and all commitments to extend further credit under the Credit Documents have been irrevocably terminated, each Guarantor waives all rights of reimbursement, subrogation, contribution, offset and other claims against the Borrower arising by contract or operation of law in connection with any payment made or required to be made by such Guarantor under this Agreement, except for contribution rights provided in Section 6.9.

6.8. Subordination. Each Guarantor covenants and agrees that all Indebtedness claims and liabilities now or hereafter owing by the Borrower to such Guarantor are hereby subordinated to the prior payment in full of the Credit Obligations and are so subordinated as a claim against the Borrower or any of its assets whether such claim be in the ordinary course of business or in the event of voluntary or involuntary liquidation, dissolution, insolvency or bankruptcy so that no payment with respect to any such Indebtedness, claim or liability will be made or received while any of the Credit Obligations are outstanding; provided, however, that the Borrower may make payments permitted by Section 7.10 and the relevant Guarantor may retain such payments.

6.9. Contribution Among Guarantors. The Guarantors agree that, as among themselves in their capacity as guarantors of the Credit Obligations, the ultimate responsibility for repayment of the Credit Obligations, in the event that the Borrower fails to pay when due their Credit Obligations, shall be equitably apportioned, to the extent consistent with the Credit Documents, among the respective Guarantors (a) in the proportion that each, in its capacity as a guarantor, has benefitted from the extensions of credit to the Borrower by the Lenders under the Credit Agreement, or (b) if such equitable apportionment cannot reasonably be determined or agreed upon among the affected Guarantors, in proportion to their respective net worths determined on or about the date hereof (or such later date as such Guarantor becomes party hereto). In the event that any Guarantor, in its capacity as a guarantor, pays an amount with respect to the Credit Obligations in excess of its proportionate share as set forth in this Section 6.9, each other Guarantor shall, to the extent consistent with the Credit Documents, make a contribution payment to such Guarantor in an amount such that the aggregate amount paid by each Guarantor reflects its proportionate share of the Credit Obligations. In the event of any default by any Guarantor under this Section 6.9, each other Guarantor will bear, to the extent consistent with the Credit Documents, its proportionate share of the defaulting Guarantor’s obligation under this Section 6.9. This Section 6.9 is intended to set forth only the rights and obligations of the Guarantors among themselves and shall not in any way affect the obligations of any Guarantor to the Lenders under the Credit Documents (which obligations shall at all times constitute the joint and several obligations of all the Guarantors).

6.10. Future Subsidiaries; Further Assurances. The Borrower and each Guarantor shall from time to time cause any present or future Subsidiary not designated as an Excluded Company to join this Agreement as a Restricted Company and a Guarantor pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent. Each Guarantor will, promptly upon the request of the Administrative Agent from time to time, execute, acknowledge and deliver, and file and

record, all such instruments, and take all such action, as the Administrative Agent reasonably deems necessary or advisable to carry out the intent and purposes of this Section 6.

6.11. Release of Guarantor. If any Guarantor is the subject of a merger or a sale or disposition of its stock or of substantially all of its assets in a transaction permitted under Section 7.11, the Guarantee of such Person under this Section 6 shall be automatically terminated as of the closing of such merger, sale or disposition and the application of any proceeds thereof as required by this Agreement. The Guarantee under this Section 6 of any Person that is subsequently designated as an Excluded Company in accordance with this Agreement shall be automatically terminated as of the effectiveness of such designation.

7. General Covenants. Each of the Restricted Companies covenants that, until all of the Credit Obligations shall have been paid in full and until the Lenders' commitments to extend credit under this Agreement and any other Credit Document shall have been irrevocably terminated (except for indemnification and other customary provisions that survive termination), it will comply with such of the following provisions as are applicable to it:

7.1. Taxes and Other Charges; Accounts Payable.

7.1.1. Taxes and Other Charges. Each of the Restricted Companies will duly pay and discharge, or cause to be paid and discharged, before the same shall become in arrears, all material taxes, assessments and other governmental charges imposed upon such Person and its properties, sales or activities, or upon the income or profits therefrom, as well as all material claims for labor, materials or supplies which if unpaid might by law become a Lien upon any of its property; provided, however, that any such tax, assessment, charge or claim need not be paid if the validity or amount thereof shall at the time be contested in good faith by appropriate proceedings (or if all such unpaid taxes, assessments, charges or claims do not exceed $500,000 in the aggregate) and if such Person shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto; and provided further, that each of the Restricted Companies will pay or bond, or cause to be paid or bonded, all such taxes, assessments, charges or other governmental claims immediately upon the commencement of proceedings to foreclose any Lien which may have attached as security therefor (except to the extent such proceedings have been dismissed or stayed).

7.1.2. Accounts Payable. Each of the Restricted Companies will promptly pay when due, or in conformity with customary trade terms, all other material Indebtedness incident to the operations of such Person; provided, however, that any such Indebtedness need not be paid if the validity or amount thereof shall at the time be contested in good faith and if such Person shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto.

7.2. Conduct of Business, etc.

7.2.1. Types of Business. The Restricted Companies will engage only in (a) those businesses in which the Restricted Companies are significantly engaged on the Second Restatement Effective Date and (b) businesses which are reasonably similar or related thereto or reasonable extensions thereof but not, in the case of this clause (b), in the aggregate, material to the overall business of the Restricted Companies, provided, that, in any event, the Restricted Companies will continue to be primarily engaged in the businesses in which they are primarily engaged on the Second Restatement Effective Date; and provided, further, that Investments permitted by Section 7.9.8 will not be prohibited by this Section 7.2.1.

7.2.2. Maintenance of Properties. Each Restricted Company:

(a) will keep its properties in such repair, working order and condition, and will from time to time make such repairs, replacements, additions and improvements thereto for the efficient operation of its businesses in management's reasonable business judgment and will comply at all times in all material respects with all Franchises, FCC Licenses and leases to which it is party so as to prevent any loss or forfeiture thereof or thereunder, unless (i) compliance is at the time being contested in good faith by appropriate proceedings or (ii) the management of the Restricted Company reasonably determines that compliance is not in the best interests of the Restricted Company and that such loss or forfeiture will not result in a Material Adverse Change; and

(b) except to the extent permitted under Section 7.11, will do all things necessary to preserve, renew and keep in full force and effect and in good standing its legal existence and authority necessary to continue its business (other than in the case of an inactive subsidiary that does not own material assets).

7.2.3. Compliance with Material Agreements; Amendments of Material Agreements. Each of the Restricted Companies will comply with the provisions of the Material Agreements to which they are a party or bound (to the extent not inconsistent with this Agreement or any other Credit Document), except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to result in a Material Adverse Change. Without the prior written consent of the Required Lenders, which may not be unreasonably withheld, no Material Agreement shall be amended, modified, waived or terminated in any manner that would have in any material respect an adverse effect on the interests of the Lenders.

7.2.4. Statutory Compliance. Each of the Restricted Companies will comply in all material respects with the Communications Act, including the rules and regulations of the FCC relating to the carriage of television signals, and all other valid and applicable statutes, laws, ordinances, zoning and building codes and other rules and regulations of the United States of America, of the states and territories thereof and their counties, municipalities and other subdivisions and of any foreign country or other jurisdictions applicable to such Person, except where compliance therewith shall at the time be contested in good faith by appropriate proceedings or the failure so to comply is not reasonably likely to result in a Material Adverse Change.

7.3. Insurance. Each of the Restricted Companies will maintain with financially sound and reputable insurers insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same general locations as the Restricted Companies. The Restricted Companies will from time to time provide such information regarding such insurance arrangements as the Administrative Agent may reasonably request. The Agents and the Lenders acknowledge that the existing self-insurance programs of the Restricted Companies, as they may be modified from time to time in a manner that does not materially change the nature and relative scale of such programs, comply with the requirements of this Section 7.3.

7.4. Financial Statements and Reports. Each of the Restricted Companies will maintain a system of accounting in which entries will be made in their books and records of all transactions in relation to their business and affairs in accordance with GAAP. The fiscal year of the Restricted Companies will end on December 31 in each year.

7.4.1. Annual Reports. The Restricted Companies will furnish to the Administrative Agent (with sufficient copies for each Lender) as soon as available, and in any event within 105 days after the end of each fiscal year, the Consolidated and Consolidating balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, the Consolidated and Consolidating statements of earnings, changes in equity and cash flows of the Borrower and its Subsidiaries for such fiscal year (all in reasonable detail and, in such Consolidating financial statements, showing the financial condition and performance of the Restricted Companies as a group), and together with comparative figures for the preceding fiscal year, all accompanied by:

(a) Unqualified reports of Arthur Andersen LLP (or, if they cease to be auditors of the Restricted Companies, independent certified public accountants of recognized national standing reasonably satisfactory to the Administrative Agent), to the effect that they have audited such Consolidated financial statements in accordance with generally accepted auditing standards and that such Consolidated financial statements present fairly, in all material respects, the financial position of the Restricted Companies at the dates thereof and the results of their operations for the periods covered thereby in conformity with GAAP.

(b) The statement of such accountants that they have caused Section 7.5 to be reviewed and that in the course of their audit of the Restricted Companies no facts have come to their attention that cause them to believe that any Default under such Section exists or, if such is not the case, specifying such Default and the nature thereof. This statement is furnished by such accountants with the understanding that the examination of such accountants cannot be relied upon to give such accountants knowledge of any such Default except as it relates to accounting or auditing matters within the scope of their audit.

(c) A certificate of a Financial Officer to the effect that such officer has caused this Agreement to be reviewed and has no knowledge of any Default, or if such officer has such knowledge, specifying such Default and the nature thereof, and what action the Restricted Companies have taken, are taking or propose to take with respect thereto.

(d) In the event of a material change in GAAP after the Second Restatement Effective Date, computations, certified by a Financial Officer, reconciling the financial statements referred to above with financial statements prepared in accordance with GAAP as applied to the other covenants in Section 7 and related definitions.

(e) Computations demonstrating, as of the end of such fiscal year, compliance with the Computation Covenants.

(f) A supplement to Exhibit 8.1 showing any changes in the information set forth in such Exhibit during the last quarter of such fiscal year.

7.4.2. Quarterly Reports. The Restricted Companies will furnish to the Administrative Agent (with sufficient copies for each Lender) as soon as available and, in any event, within 60 days after the end of each of the first three calendar quarters of each fiscal year, the internally prepared Consolidated balance sheet as of the end of such quarter and the Consolidated statements of income, changes in equity and cash flows of the Borrower and its Subsidiaries for such quarter and for the portion of the fiscal year then ending (all in reasonable detail and, in such Consolidating financial statements, showing the financial condition and performance of the Restricted Companies as a group), together with comparative figures for the same period in the preceding fiscal year, all accompanied by:

(a) A certificate signed by a Financial Officer to the effect that such financial statements have been prepared in accordance with GAAP and present fairly, in all material respects, the financial position of the Restricted Companies covered thereby at the dates thereof and the results of their operations for the periods covered thereby, subject only to normal year-end audit adjustments and the addition of footnotes.

(b) Computations demonstrating, as of the end of such quarter, compliance with the Computation Covenants.

(c) For each quarter, a supplement to Exhibit 8.1 showing any changes in the information set forth in such Exhibit during such fiscal quarter.

(d) A certificate signed by a Financial Officer to the effect that such officer has caused this Agreement to be reviewed and has no knowledge of any Default, or if such officer has such knowledge, specifying such Default and the nature thereof and what action the Restricted Companies have taken, are taking or propose to take with respect thereto.

7.4.3. Other Reports. Upon request by the Administrative Agent, the Restricted Companies will promptly furnish to the Administrative Agent (with sufficient copies for each Lender) such registration statements, proxy statements and reports, including Forms S-1, S-2, S-3, S-4, 10-K, 10-Q and 8-K, as may be filed for Charter Communications VII or any Restricted Company with the Securities and Exchange Commission. In addition, the Borrower shall notify the Administrative Agent promptly after any of the foregoing become available.

7.4.4. Notice of Litigation; Notice of Defaults. The Restricted Companies will promptly furnish to the Administrative Agent notice of any litigation or any administrative or arbitration proceeding to which any Restricted Company may hereafter become a party which involves the risk of any judgment which resulted, or poses a material risk of resulting, after giving effect to any applicable insurance, of the payment by the Restricted Companies of at least $10,000,000. Promptly upon acquiring knowledge thereof, the Restricted Companies will notify the Lenders of the existence of any Default, specifying the nature thereof and what action the Restricted Companies have taken, are taking or propose to take with respect thereto.

7.4.5. Franchise Matters. The Restricted Companies will promptly furnish to the Administrative Agent notice of any action by any federal, state or local governmental authority of the institution of proceedings to revoke, terminate or suspend any Franchise now or hereafter held by any Restricted Company, and any abandonment or expiration (without renewal) of a Franchise now or hereafter held by any Restricted Company, in either case, which would result, or be reasonably likely to result, in a Material Adverse Change.

7.4.6. ERISA Reports. Furnish to the Administrative Agent as soon as available to the Borrower the following items with respect to any Plan:

(a) any request for a waiver of the funding standards or an extension of the amortization period;

(b) any reportable event (as defined in Section 4043 of ERISA), unless the notice requirement with respect thereto has been waived by regulation;

(c) any notice received by any Commonly Controlled Entity that the PBGC has instituted or intends to institute proceedings to terminate any Plan, or that any Multiemployer Plan is Insolvent or in Reorganization;

(d) notice of the possibility of the termination of any Plan by its administrator pursuant to Section 4041 of ERISA; and

(e) notice of the intention of any Commonly Controlled Entity to withdraw, in whole or in part, from any Multiemployer Plan.

7.4.7. Other Information. From time to time upon request of any authorized officer of any Agent, each of the Restricted Companies will furnish to the Administrative Agent (with sufficient copies for each Lender) such other information regarding the business, assets, financial condition, income or prospects of the Restricted Companies as such officer may reasonably request, including copies of all tax returns, licenses, agreements, contracts, leases and instruments to which any of the Restricted Companies is party. The authorized officers and representatives of any Agent or, after the occurrence and during the continuation of an Event of Default, of any Lender (coordinated through the Administrative Agent) shall have the right during normal business hours upon reasonable notice and at reasonable intervals to examine the books and records of the Restricted Companies, to make copies, notes and abstracts therefrom and to make an independent examination of its books and records, for the purpose of verifying the accuracy of the reports delivered by any of the Restricted Companies pursuant to this Section 7.4 or otherwise and ascertaining compliance with or obtaining enforcement of this Agreement or any other Credit Document.

7.5. Certain Financial Tests.

7.5.1. Consolidated Total Debt to Consolidated Annualized Operating Cash Flow. Consolidated Total Debt shall not as of the end of any fiscal quarter exceed the percentage indicated in the table below of Consolidated Annualized Operating Cash Flow for such fiscal quarter:

Date	Percentage
Through December 30, 2001	575%
December 31, 2001 through June 29, 2002	550%
June 30, 2002 through June 29, 2003	500%
June 30, 2003 through June 29, 2004	450%
June 30, 2004 through June 29, 2005	350%
June 30, 2005 and thereafter	300%

7.5.2. Consolidated Interest Coverage Ratio. For each fiscal quarter of the Restricted Companies, the Consolidated Interest Coverage Ratio shall exceed the percentage indicated below: (a) through December 31, 2002, 150% and (b) thereafter, 200%.

7.5.3. Consolidated Annualized Operating Cash Flow to Consolidated Pro Forma Debt Service. On the last day of each fiscal quarter of the Restricted Companies, Consolidated Annualized Operating Cash Flow for the three-month period then ending shall exceed 110% of Consolidated Pro Forma Debt Service for the 12-month period beginning immediately after such date.

7.6. Indebtedness. The Restricted Companies shall not create, incur, assume or otherwise become or remain liable with respect to any Indebtedness other than the following:

7.6.1. The Credit Obligations.

7.6.2. Guarantees permitted by Section 7.7.

7.6.3. Current liabilities existing from time to time, other than for Financing Debt, incurred in the ordinary course of business.

7.6.4. To the extent that payment thereof shall not at the time be required by Section 7.1, Indebtedness in respect of taxes, assessments, governmental charges and claims for labor, materials and supplies.

7.6.5. Indebtedness secured by Liens of carriers, warehousemen, mechanics and landlords permitted by Sections 7.8.5 and 7.8.6.

7.6.6. Indebtedness in respect of judgments or awards not in excess of $10,000,000 in the aggregate at any time outstanding (a) which have been in force for less than the applicable appeal period, so long as execution is not levied, or (b) in respect of which any Restricted Company shall at the time in good faith be prosecuting an appeal or proceedings for review, so long as execution thereof shall have been stayed pending such appeal or review and the Restricted Companies shall have taken appropriate reserves therefor consistent with GAAP.

7.6.7. Indebtedness in respect of Capitalized Lease Obligations or secured by purchase money security interests to the extent Liens securing such Indebtedness are permitted by Section 7.8.10; provided, however, that the aggregate principal amount of all Indebtedness permitted by this Section 7.6.7 at any one time outstanding shall not exceed $25,000,000.

7.6.8. Indebtedness in respect deferred taxes arising in the ordinary course of business.

7.6.9. Indebtedness in respect of inter-company loans and advances among the Restricted Companies which are not prohibited by Section 7.9.

7.6.10. Indebtedness outstanding on the Initial Closing Date and described in Exhibit 7.6.10, except that only the Indebtedness under the heading “Post-Closing Financing Debt” on Exhibit 7.6.10 is permitted by this Section 7.6.10 to remain outstanding after the First Restatement Effective Date.

7.6.11. Indebtedness on account of security deposits of Subscribers held by the Restricted Companies to secure the return of equipment placed by the Restricted Companies with Subscribers in the ordinary course of its business.

7.6.12. Binding obligations of the Restricted Companies to make acquisitions and Investments permitted by Section 7.9.

7.6.13. Minority interests in Subsidiaries and equity in losses of affiliated partnerships in excess of investment.

7.6.14. Indebtedness of the Borrower (but not any Subsidiary of the Borrower) incurred on any Threshold Transaction Date so long as (a) no Default shall have occurred and be continuing or would result therefrom, (b) such Indebtedness shall have no scheduled amortization prior to the date that is one year after the final maturity of the latest-maturing Loan outstanding on the date such Indebtedness is incurred and (c) the covenants and default provisions applicable to such Indebtedness shall be no more restrictive than those contained in this Agreement, provided that the requirement that such Indebtedness be incurred on a Threshold Transaction Date shall not apply in the case of any refinancing of Indebtedness previously incurred pursuant to this Section 7.6.14 so long as the interest rate and cash-pay characteristics applicable to such refinancing Indebtedness are no more onerous than those applicable to such refinanced Indebtedness.

7.6.15. Indebtedness of any Person that becomes a Subsidiary pursuant to an Investment permitted by Section 7.9, so long as (a) no Default shall have occurred and be continuing or would result therefrom, (b) such Indebtedness existed at the time of such Investment and was not created in anticipation thereof, (c) the Borrower shall use its best efforts to cause such Indebtedness to be repaid no later than 120 days after the date of such Investment, (d) if such Indebtedness is not repaid within such period then, until such Indebtedness is repaid, the operating cash flow of the relevant Subsidiary shall be excluded for the purposes of calculating Consolidated Operating Cash Flow (whether or not distributed to the Borrower or any other Restricted Company) and (e) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this Section 7.6.15 shall not exceed $150,000,000.

7.6.16. Other Indebtedness of the Restricted Companies not in excess of $50,000,000 in the aggregate at any one time outstanding.

7.7. Guarantees; Letters of Credit. The Restricted Companies shall not become or remain liable with respect to any Guarantee, including reimbursement obligations under letters of credit and other financial guarantees by third parties, except the following:

7.7.1. Guarantees of the Credit Obligations.

7.7.2. Guarantees by the Restricted Companies of Indebtedness incurred by any other Restricted Company and permitted by Section 7.6.

7.7.3. Guarantees to governmental authorities in respect of performance under Franchises and to Obligors upon indemnity, performance or similar bonds or letters of credit made in the ordinary course of business, not involving Guarantees of Financing Debt, and not exceeding $50,000,000 in aggregate principal amount at any one time outstanding.

7.8. Liens. The Restricted Companies shall not create, incur or enter into, or suffer to be created or incurred or to exist, any Lien, except the following:

7.8.1. Liens on any Credit Security which secure the Credit Obligations and restrictions on transfer contained in the Credit Documents.

7.8.2. Liens to secure taxes, assessments and other governmental charges, to the extent that payment thereof shall not at the time be required by Section 7.1.

7.8.3. Deposits or pledges made (a) in connection with, or to secure payment of, workers' compensation, unemployment insurance, old age pensions or other social security, (b) in connection with casualty insurance maintained in accordance with Section 7.3, (c) to secure the performance of bids, tenders, contracts (other than contracts relating to Financing Debt) or leases, (d) to secure statutory obligations or surety or appeal bonds, (e) to secure indemnity, performance or other similar bonds in the ordinary course of business, (f) in connection with claims contested to the extent that payment thereof shall not at that time be required by Section 7.1 or (g) as acquisition or sale contract escrows in connection with transactions permitted under Sections 7.9 or 7.11.

7.8.4. Liens in respect of judgments or awards, to the extent that such judgments or awards are permitted by Section 7.6.6.

7.8.5. Liens of carriers, warehousemen, mechanics and similar Liens, in each case (a) in existence less than 90 days from the date of creation thereof or (b) being contested in good faith by any Restricted Company in appropriate proceedings (so long as the Restricted Company shall, in accordance with GAAP, have set aside on its books adequate reserves with respect thereto).

7.8.6. Encumbrances in the nature of (a) zoning restrictions, (b) easements, (c) restrictions of record on the use of real property, (d) landlords' and lessors' Liens on rented premises and (e) restrictions on transfers or assignment of leases, which in each case do not materially detract from the value of the encumbered property or impair the use thereof in the business of any Restricted Company.

7.8.7. Restrictions under federal and state securities laws on the transfer of securities.

7.8.8. Restrictions under the Communications Act, specific Franchises, pole agreements, leases and other documents entered into in the ordinary course of business on the transfer or licensing of certain assets of the Restricted Companies.

7.8.9. Set-off rights of depository institutions with which any Restricted Company maintains deposit accounts.

7.8.10. Liens constituting (a) purchase money security interests (including mortgages, conditional sales, Capitalized Leases and any other title retention or deferred purchase devices) in real property, interests in leases or tangible personal property existing or created on the date on which such property is acquired, and (b) the renewal, extension or refunding of any security interest referred to in the foregoing clause (a) in an amount not to exceed the amount thereof remaining unpaid immediately prior to such renewal, extension or refunding; provided, however, that each such security interest shall attach solely to the particular item of property so acquired, and the principal amount of Indebtedness (including Indebtedness in respect of Capitalized Lease Obligations) secured thereby shall not exceed the cost (including all such Indebtedness secured thereby, whether or not assumed) of such item of property; and provided, further, that the aggregate principal amount of all Indebtedness secured by Liens permitted by this Section 7.8.10 shall not exceed the amount permitted by Section 7.6.7.

7.8.11. Liens as of the Initial Closing Date described in Exhibit 7.6.10.

7.8.12. Arrangements constituting a qualified escrow account, qualified trust or qualified intermediary for funds included in an Asset Reinvestment Reserve Amount to facilitate a deferred like-kind exchange exempt from taxation under the Code.

7.8.13. Liens on the Equity Interests of any Person that is not a Restricted Company to secure loans from banks and other institutional lenders to such Person or Affiliates of such Person that are not Restricted Companies.

7.8.14. Liens not otherwise permitted by this Section 7.8 so long as neither (a) the aggregate outstanding principal amount of the obligations secured thereby nor (b) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to all Restricted Companies) $10,000,000 at any one time.

7.9. Investments and Acquisitions. The Restricted Companies shall not have outstanding, acquire, commit to acquire under a binding contract or a contract not conditioned on the receipt of customary Lenders' consents or hold any Investment (including any Investment consisting of the acquisition of any business) except for the following:

7.9.1. Investments of the Restricted Companies in other Restricted Companies.

7.9.2. Investments in Cash Equivalents.

7.9.3. Loans and other advances to employees, officers and directors in an aggregate principal amount at any one time outstanding not to exceed $10,000,000.

7.9.4. Prepaid royalties and fees paid in the ordinary course of business.

7.9.5. Guarantees permitted by Section 7.7.

7.9.6. Investments as of the Second Restatement Effective Date described in Exhibit 7.6.10.

7.9.7. Investments consisting of loans from the Restricted Companies to any Qualified Parent Company or Charter Communications VII that constitute Distributions permitted by Section 7.10.

7.9.8. Contributions by any Restricted Company of cable systems to any Permitted Joint Venture so long as (a) such Disposition is permitted pursuant to Section 7.11.3, (b) no Default shall have occurred and be continuing or would result therefrom, (c) after giving effect thereto, the Reference Leverage Ratio shall be equal to or lower than the Reference Leverage Ratio in effect immediately prior thereto and (d) the Equity Interests received by any Restricted Company in connection therewith shall be pledged as Credit Security (either directly or through a holding company parent of such Permitted Joint Venture so long as such parent is a Wholly Owned Guarantor).

7.9.9. Investments not otherwise permitted by this Section 7.9 at any one time outstanding not exceeding $100,000,000, except with the prior written consent of the Required Lenders; provided, however, that in no event will the book value of Margin Stock owned by the Restricted Companies exceed 20% of the Consolidated assets of the Restricted Companies determined in accordance with GAAP.

7.9.10. Investments consisting of the acquisition of Systems or assets in exchange transactions permitted by Section 7.11.5.

7.9.11. Acquisitions by the Borrower or any Wholly Owned Guarantor of Operating Assets (substantially all of which consist of Systems), directly through an asset acquisition or indirectly through the acquisition of 100% of the Equity Interests of a Person substantially all of whose assets consist of Systems, provided, that (a) no Default shall have occurred and be continuing or would result therefrom and (b) the aggregate Consideration (excluding Consideration paid with the proceeds of contributions described in Section 7.9.12) paid in connection with such acquisitions, other than acquisitions consummated on a Threshold Transaction Date, shall not exceed $200,000,000 since the First Restatement Effective Date.

7.9.12. So long as immediately before and after giving effect thereto no Default exists and is continuing, acquisitions or Investments (other than acquisitions and Investments of the type described in Section 7.9.8) by the Restricted Companies with the proceeds of cash equity contributions specified by written notice to the Administrative Agent at the time of receipt of such proceeds for the purpose of effecting such acquisition or Investment.

7.9.13. Acquisition deposits and deposits with a qualified intermediary in connection with transactions permitted by this Section 7.9.

7.10. Distributions. The Restricted Companies shall not make any Distribution except for the following:

7.10.1. The Restricted Companies may make Distributions to other Restricted Companies.

7.10.2. Any Restricted Company may declare and pay dividends payable in common stock (or similar common equity) of such Restricted Company.

7.10.3. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Restricted Companies may make:

(a) Distributions to any Qualified Parent Company or Charter Communications VII in an amount necessary for it to make mandatory, scheduled payments of principal and interest on Indebtedness (including Indebtedness owed to the Restricted Companies) of any Qualified Parent Company or Charter Communications VII, as the case may be, not elsewhere described in this Section 7.10; provided, however, that (i) at least three Banking Days prior to such Distribution the Administrative Agent shall receive a certificate signed by a Financial Officer demonstrating pro forma compliance as of the end of the most recent fiscal quarter of the Restricted Companies with Sections 7.5.2 and 7.5.3 after giving effect to such Distribution, and (ii) the proceeds of such Indebtedness are or were used to (A) prepay the Loan pursuant to Section 4.6 or (B) make equity Investments or subordinated debt Investments (in the form of Specified Subordinated Debt) in any Restricted Company for its own business purposes (other than Investments in Excluded Companies).

(b) Distributions to any Qualified Parent Company or Charter Communications VII in an amount necessary for it to make mandatory, scheduled payments of interest on Indebtedness (including Indebtedness owed to the Restricted Companies) of any Qualified Parent Company or Charter Communications VII, as the case may be; provided, however, that (i) at least three

Banking Days prior to such Distribution the Administrative Agent shall receive a certificate signed by a Financial Officer demonstrating that such Distribution shall be made on a Threshold Transaction Date and (ii) each such Distribution shall be made no earlier than three Banking Days prior to the date the relevant interest payment is due.

7.10.4. The Restricted Companies may make Distributions on account of management services to the extent permitted by Section 7.17.

7.10.5. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Restricted Companies that are partnerships or limited liability companies may, in any calendar year, pay Distributions to all the holders of the Equity Interests of such Restricted Companies, in proportion to their ownership interests, sufficient to permit each such holder to pay income taxes that may be required to be paid by it with respect to its equity in the Restricted Companies for the prior calendar year, as estimated by such Restricted Company in good faith.

7.10.6. Investments permitted by Sections 7.9.7 and 7.9.9 and Affiliate transactions permitted by Section 7.14 or described in the second sentence of Section 7.14.

7.10.7. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Borrower may make Distributions for any purpose; provided, however, that, after giving effect to any such Distribution on a pro forma basis, the Reference Leverage Ratio shall not exceed 400%.

7.10.8. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Borrower may make Distributions for any purpose; provided, however, that if, after giving effect to any such Distribution on a pro forma basis, the Reference Leverage Ratio exceeds 400%, the cumulative, aggregate amount of all Distributions under this Section 7.10.8 (excluding any such Distributions made for the purpose of paying fees approved by the Agents in connection with the Indenture Modifications (as defined in the Existing Credit Agreement)) made since the First Restatement Effective Date shall not exceed the sum of (a) $25,000,000, plus (b) the net proceeds of cash equity contributions (and, with the written consent of the Specified Agents, which consent shall not be unreasonably withheld, the net equity value of non-cash equity contributions) made to the Borrower after the First Restatement Effective Date (to the extent not specified for acquisitions pursuant to Section 7.9.12) plus (c) 25% of Consolidated Excess Cash Flow for the most recently completed fiscal year for which financial statements have been furnished to the Lenders in accordance with Section 7.4.1 (commencing with the fiscal year ended December 31, 1999).

7.10.9. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Restricted Companies may make Distributions constituting the purchase, redemption, acquisition, cancellation or other retirement for value of Equity Interests in any Qualified Parent Company, options on any such interests or related equity appreciation rights or similar securities held by officers or employees or former officers or employees of such Qualified Parent Company (or their estates or beneficiaries under their estates), upon death, disability, retirement or termination of employment; provided, however, that the aggregate consideration paid for such purchase, redemption, acquisition, cancellation or other retirement (excluding any such consideration paid prior to the First Restatement Effective Date) does not in any one fiscal year of the Restricted Companies exceed $7,500,000 in the aggregate.

7.10.10. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Restricted Companies may make Distributions in respect of loans and other advances to employees, officers and directors permitted by Section 7.9.3.

7.11. Merger, Consolidation and Dispositions of Assets. The Restricted Companies shall not merge or enter into a consolidation or sell, lease, sell and lease back, sublease or otherwise dispose of any of its assets (each, "Fundamental Transaction"), except the following:

7.11.1. Any Restricted Company may sell or otherwise dispose of (a) inventory in the ordinary course of business, (b) tangible assets to be replaced in the ordinary course of business by other tangible assets of equal or greater value, (c) tangible assets that are no longer used or useful in the business of the Restricted Companies, the fair market value (or book value if greater) of which shall not be material in any fiscal year and (d) cash and Cash Equivalents.

7.11.2. Any Restricted Company may (i) merge or be liquidated into, or transfer or make dispositions of assets to, any other Restricted Company or (ii) enter into a transaction solely for the purpose of changing its organizational form so long as any Fundamental Transaction related thereto does not involve any third party other than another Restricted Company.

7.11.3. Subject to Section 4.4, so long as no Event of Default exists and is continuing on the date a binding contract with respect to such sale is entered into and the Restricted Companies have furnished prior written notice of such sale to the Administrative Agent, the Restricted Companies may sell Systems or other assets for fair market value in transactions not constituting Permitted Asset Swaps (it being understood that Swap Excess Amounts (other than Excluded Swap Excess Amounts) shall be deemed to constitute usage of availability in respect of sales pursuant to this Section 7.11.3); provided, however, that the sum of the aggregate percentages of Consolidated Annualized Operating Cash Flow for the period of three consecutive months most recently ended prior to each such sale for which financial statements have been (or are required to have been) furnished in accordance with Section 7.4.2 properly allocable to all such Systems or other assets so sold on or after the First Restatement Effective Date shall not exceed 30%.

7.11.4. So long as immediately before and after giving effect thereto no Event of Default exists and is continuing, the Restricted Companies may contribute Systems and other assets to Permitted Joint Ventures as Investments permitted by Section 7.9.8.

7.11.5. The Restricted Companies may consummate Permitted Asset Swaps; provided that (a) on the date of such Permitted Asset Swap, no Default shall have occurred and be continuing or would result therefrom, (b) in the event that the Annualized Asset Cash Flow Amount attributable to the assets being transferred exceeds the annualized asset cash flow amount (determined in a manner comparable to the manner in which Annualized Asset Cash Flow Amounts are determined hereunder) of the assets received in connection with such Permitted Asset Swap (such excess amount, a "Swap Excess Amount"), then, unless such Swap Excess Amount is an Excluded Swap Excess Amount, the Disposition of such Swap Excess Amount is permitted by Section 7.11.3 and (c) the Net Cash Proceeds of such Permitted Asset Swap, if any, shall be applied in the manner contemplated by Section 4.4.

7.11.6. The Restricted Companies may consummate mergers or consolidations necessary to effect acquisitions and Investments permitted by Section 7.9.

7.11.7. The Restricted Companies may sell property acquired after the First Restatement Effective Date (other than property acquired in connection with Permitted Asset Swaps

involving property owned on the First Restatement Effective Date), so long as (a) no Default shall have occurred and be continuing or would result therefrom, (b) a definitive agreement to consummate such sale is executed no later than twelve months after the date on which relevant property is acquired and (c) such sale is consummated within eighteen months after the date on which the relevant property is acquired.

7.12. Issuance of Stock by Subsidiaries; Subsidiary Distributions.

7.12.1. Issuance of Stock by Subsidiaries. No Subsidiary (other than an Excluded Company) of a Restricted Company shall issue or sell any of its Equity Interests to any Person other than a Restricted Company unless (a) in the case of a stock dividend or other distribution of Equity Interests, such dividend or distribution is pro rata among existing equity owners or (b) in the case of purchased equity, the sale of such equity is on an arm's length basis.

7.12.2. No Restrictions on Subsidiary Distributions. Except for restrictions contained in the Credit Documents, the Restricted Companies shall not enter into or be bound by any agreement (including covenants requiring the maintenance of specified amounts of net worth or working capital) restricting the right of any Subsidiary to make Distributions or extensions of credit to the Borrower (directly or indirectly through another Subsidiary).

7.13. ERISA, etc. The Restricted Companies shall comply in all material respects with the provisions of ERISA and the Code applicable to each Plan. Each Restricted Company will meet all minimum funding requirements applicable to them with respect to any Plan pursuant to Section 302 of ERISA or Section 412 of the Code, without giving effect to any waivers of such requirements or extensions of the related amortization periods which may be granted. At no time shall the Accumulated Benefit Obligations under any Plan that is not a Multiemployer Plan exceed the fair market value of the assets of such Plan allocable to such benefits by more than $10,000,000. After the Second Restatement Effective Date, the Restricted Companies will not withdraw, in whole or in part, from any Multiemployer Plan so as to give rise to withdrawal liability exceeding $10,000,000 in the aggregate. At no time shall the actuarial present value of unfunded liabilities for post-employment health care benefits, whether or not provided under a Plan, calculated in a manner consistent with Statement No. 106 of the Financial Accounting Standards Board, exceed $10,000,000.

7.14. Transactions with Affiliates. Other than the Material Agreements, none of the Restricted Companies shall effect any transaction with any of their respective Affiliates on a basis less favorable to the Restricted Companies than would be the case if such transaction had been effected with a non-Affiliate. This Section 7.14 shall not apply to: (a) customary directors' fees, indemnification and similar arrangements and payments in respect thereof, consulting fees, employee salaries, bonuses or employment agreements, compensation or employee benefit arrangements and incentive arrangements with any officer, or employee of a Restricted Company entered into in the ordinary course of business (including customary benefits thereunder), (b) the organizational agreements of Charter Communications VII, including any amendments or extensions thereof that do not otherwise violate any other covenant set forth in this Agreement, and any transactions undertaken or to be undertaken pursuant to any of such agreements or pursuant to any other contractual obligations in the ordinary course of business in existence on the First Restatement Effective Date (as in effect on the First Restatement Effective Date) or as set forth on Exhibit 7.14, (c) the issuance and sale by any Restricted Company to its partners, members or stockholders of Equity Interests (other than Redeemable Capital Stock), (d) loans and advances to officers, directors and employees of the Restricted Companies in the ordinary course of business, (e) customary commercial banking, investment banking, underwriting, placement agent, financial advisory, legal, accounting or regulatory fees paid in connection with services rendered to the Restricted Companies in the ordinary course of business, (f) so long as no Default shall have occurred and be continuing, the payment (either directly or by way of a distribution to any Qualified Parent Company) of

amounts not in excess of 1.0% of the aggregate enterprise value of Investments permitted hereby to certain Affiliates of the Restricted Companies, (g) the incurrence of intercompany indebtedness that does not otherwise violate any other provision of this Agreement, (h) repayments of Specified Subordinated Debt with the proceeds of Loans or Specified Long-Term Indebtedness, (i) the pledge of Equity Interests of Excluded Companies to support the Indebtedness thereof, (j) the payment of management fees permitted by Section 7.17, and (k) programming agreements, marketing and promotional agreements and other billing services, equipment agreements and agreements for other goods and services related to the business of the Restricted Companies entered into between members of the Charter Group and the Restricted Companies.

7.15. Interest Rate Protection. The Borrower will keep in effect one or more Interest Rate Protection Agreements conforming to International Securities Dealers Association standards with any Lender or Affiliate of a Lender or other financial institution reasonably satisfactory to the Administrative Agent protecting against increases in interest rates, each in form and substance reasonably satisfactory to the Administrative Agent, covering a notional amount of at least 50% of the Financing Debt of Charter Communications VII and the Restricted Companies for a two year period at rates reasonably satisfactory to the Administrative Agent; provided, however, that Financing Debt with a fixed interest rate for a period of at least two years shall be deemed to be covered by an Interest Rate Protection Agreement for purposes of this Section 7.15.

7.16. Compliance with Environmental Laws. Each of the Restricted Companies will:

7.16.1. Use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all applicable Environmental Laws, except where the failure to comply with, or keep in effect, as applicable, such laws, permits, approvals, certificates, licenses and authorizations would not reasonably be expected to result in a Material Adverse Change.

7.16.2. Immediately notify the Administrative Agent, and provide copies upon receipt, of all written claims or complaints from governmental authorities relating to the condition of its facilities and properties or compliance with Environmental Laws, and in the case of potential liability in excess of $10,000,000 shall promptly cure and have dismissed with prejudice to the satisfaction of the Administrative Agent any actions and proceedings relating to compliance with Environmental Laws, except where contested in good faith by appropriate proceedings and sufficient reserves with respect thereto as required by GAAP have been established.

7.16.3. Provide such information and certifications which the Administrative Agent may reasonably request from time to time to evidence compliance with this Section 7.16.

7.17. No Outside Management Fees. The Restricted Companies shall not pay in cash any management fees or other amounts in respect of management services to any Person other than another Restricted Company, except that the Borrower may pay management fees to its Affiliates (either directly or by way of a Distribution to any Qualified Parent Company) so long as (a) no Default shall have occurred and be continuing or would result therefrom, (b) the aggregate amount of such payments expensed during any fiscal year of the Borrower shall not exceed 3.50% of Consolidated Revenues for the immediately preceding fiscal year (provided that, in addition, payments of management fees may be made in respect of amounts that have been accrued, but were not paid, during any preceding fiscal year of the Borrower ending on or after December 31, 1999, so long as the aggregate amount of payments made pursuant to this parenthetical during any fiscal year of the Borrower (other than any such payments made on a Threshold Management Fee Date), when added to the aggregate amount of non-deferred

management fees otherwise paid pursuant to this clause (b) during such fiscal year, shall not exceed 5.0% of Consolidated Revenues for the immediately preceding fiscal year) and (c) each such payment shall be made no earlier than three Banking Days prior to the date such payment is due for Distributions; provided, however, that this Section 7.17 shall not prohibit the payment of fees to non-Affiliates for services rendered to the Restricted Companies on an arm's length basis in the ordinary course of business.

7.18. Derivative Contracts. None of the Restricted Companies nor any of their Subsidiaries shall enter into any Interest Rate Protection Agreement, foreign currency exchange contract or other financial or commodity derivative contracts except to provide hedge protection for an underlying economic transaction in the ordinary course of business.

7.19. Negative Pledge Clauses. None of the Restricted Companies nor any of their Subsidiaries shall enter into any agreement, instrument, deed or lease which prohibits or limits the ability of the Restricted Companies or any of their Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of their respective properties, assets or revenues, whether now owned or hereafter acquired, or which requires the grant of any collateral for such obligation if collateral is granted for another obligation, except the following:

7.19.1. This Agreement and the other Credit Documents.

7.19.2. Covenants in documents creating Liens permitted by Section 7.8 prohibiting further Liens on the assets encumbered thereby.

7.19.3. Restrictions on transfer and pledges imposed in the ordinary course of business pursuant to Franchises, pole agreements, leases and other operating agreements.

8. Representations and Warranties. In order to induce the Lenders to extend credit to the Borrower hereunder, each of the Restricted Companies jointly and severally represents and warrants to each Lender that:

8.1. Organization and Business.

8.1.1. The Borrower. The Borrower is a duly organized and validly existing limited liability company, in good standing under the laws of the jurisdiction in which it is organized, with all limited liability company power and authority necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party, (b) borrow and guarantee the Credit Obligations, (c) grant the Lenders security interests in any Credit Security owned by it to secure the Credit Obligations and (d) own its properties and carry on the business now conducted or proposed to be conducted by it. Certified copies of the Charter and By-laws of the Borrower have been previously delivered to the Administrative Agent and are correct and complete. Exhibit 8.1, as from time to time hereafter supplemented in accordance with Sections 7.4.1 and 7.4.2, sets forth (i) the jurisdiction of organization of the Borrower, (ii) the address of the Borrower's principal executive office and chief place of business and (iii) the number of authorized and issued shares and ownership of the Borrower.

8.1.2. Other Guarantors. Each Restricted Company (other than the Borrower) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, with all organizational power and authority necessary to (a) enter into and perform this Agreement and each other Credit Document to which it is party, (b) guarantee the Credit Obligations, (c) grant the Lenders a security interest in Credit Security owned by such Restricted Company to secure the Credit Obligations and (d) own its properties and carry on the business now conducted or proposed to be

conducted by it. Certified copies of the Charter and By-laws of each such Restricted Company have been previously delivered to the Administrative Agent and are correct and complete. Exhibit 8.1, as from time to time hereafter supplemented in accordance with Sections 7.4.1 and 7.4.2, sets forth (i) the name and jurisdiction of organization of each Holding Company, (ii) the address of the chief executive office and principal place of business of each Holding Company, and (iii) the number of authorized and issued Equity Interests and ownership of each Restricted Company. As of the Second Restatement Effective Date, no Minority Interest HoldCo (other than Charter Communications VII and the Restricted Companies) is in existence.

8.1.3. Qualification. Except as set forth on Exhibit 8.1 as from time to time supplemented in accordance with Sections 7.4.1 and 7.4.2, each Restricted Company is duly and legally qualified to do business as a foreign limited partnership or other entity and is in good standing in each state or jurisdiction in which such qualification is required and is duly authorized, qualified and licensed under all laws, regulations, ordinances or orders of public authorities, or otherwise, to carry on its business in the places and in the manner in which it is conducted, except for failures to be so qualified, authorized or licensed which would not in the aggregate result, or pose a material risk of resulting, in any Material Adverse Change.

8.1.4. Capitalization. Except as set forth in Exhibit 8.1, as from time to time supplemented in accordance with Sections 7.4.1 and 7.4.2, no options, warrants, conversion rights, preemptive rights or other statutory or contractual rights to purchase Equity Interests of any Restricted Company now exist, nor has any Restricted Company authorized any such right, nor is any Restricted Company obligated in any other manner to issue its Equity Interests.

8.2. Financial Statements and Other Information; Material Agreements.

8.2.1. Financial Statements and Other Information. The Restricted Companies have previously furnished to the Lenders copies of the unaudited Consolidated balance sheet of the Borrower and its Subsidiaries, and the audited Consolidated balance sheet of Charter Communications VII as at December 31, 2000 and the unaudited Consolidated statements of income and changes in equity and cash flows of the Borrower and its Subsidiaries, and the audited Consolidated statements of income and changes in equity and cash flows of Charter Communications VII, for the fiscal year then ended.

The audited Consolidated financial statements (including the notes thereto) referred to above were prepared in accordance with GAAP and fairly present the financial position of the Restricted Companies covered thereby on a Consolidated basis at the respective dates thereof and the results of their operations for the periods covered thereby. No Restricted Company has any known contingent liability material to the Restricted Companies on a Consolidated basis that is required to be reflected by GAAP which is not reflected in the sheet referred to above (or delivered pursuant to Sections 7.4.1 or 7.4.2) or the notes thereto.

8.2.2. Material Agreements. The Restricted Companies have previously furnished to the Administrative Agent correct and complete copies, including all exhibits, schedules and amendments thereto, of the Material Agreements as set forth in Exhibit 8.2.2, each as in effect on the Second Restatement Effective Date.

8.3. Changes in Condition. No Material Adverse Change has occurred.

8.4. Title to Assets. The Restricted Companies have good and valid title to all material assets necessary for the operations of their business as now conducted by them and reflected in the most recent balance sheet referred to in Section 8.2.1(a) (or the balance sheet most recently furnished to the

Lenders pursuant to Sections 7.4.1 or 7.4.2), and to all material assets necessary for the operations of such business acquired subsequent to the date of such balance sheet, subject to no Liens except for those permitted by Section 7.8 and except for assets disposed of as permitted by Section 7.11.

8.5. Licenses, etc. The Restricted Companies have all patents, patent applications, patent licenses, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, licenses, FCC Licenses, Franchises, permits, authorizations and other rights including agreements with public utilities and microwave transmission companies, pole use, access or rental agreements and utility easements the lack, loss or termination of which would result, or is reasonably likely to result, in a Material Adverse Change. All of the foregoing are in full force and effect except as would not result in, or be reasonably likely to result in, a Material Adverse Change, and each of the Restricted Companies is in substantial compliance with the foregoing without any known conflict with the valid rights of others which has resulted, or poses a material risk of resulting, in any Material Adverse Change. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such license, Franchise or other right or affect the rights of any of the Restricted Companies thereunder so as to result in any Material Adverse Change. Except as would not result, or create a material risk of resulting, in a Material Adverse Change:

8.5.1. Franchises; FCC Licenses. Each Franchise and FCC License held by any Restricted Company is validly issued, and no Restricted Company is in violation of the terms of any of its Franchises or FCC Licenses.

8.5.2. FCC and Other Matters. Each Restricted Company has filed all cable television registration statements and other filings which are required to be filed by it under the Communications Act. Each Restricted Company is in all material respects in compliance with the Communications Act, including the rules and regulations of the FCC relating to the carriage of television signals. The execution, delivery and performance by the Restricted Companies of this Agreement does not require the approval of the FCC and will not result in any violation of the Communications Act. Each Restricted Company has recorded or deposited with and paid to the federal Copyright Office and the Register of Copyright all notices, statements of account, royalty fees and other documents and instruments required under Title 17 of the United States Code and all rules and regulations thereunder (collectively and as from time to time in effect, the "Copyright Act"), including such of the foregoing required by section 111(d) of the Copyright Act by virtue of such Restricted Company having made any secondary transmission subject to compulsory licensing pursuant to section 111(c) of the Copyright Act.

8.6. Litigation. No litigation, at law or in equity, or any proceeding before any court, board or other governmental or administrative agency or any arbitrator is pending or, to the knowledge of the Restricted Companies, threatened which, in either case, involves any material risk of any final judgment, order or liability which, after giving effect to any applicable insurance, has resulted, or poses a material risk of resulting, in any Material Adverse Change or which seeks to enjoin (and poses a material risk of enjoining) the consummation, or which (except for litigation which does not pose a material risk of impairing the validity or effectiveness of the transactions contemplated by this Agreement or any other Credit Document) questions the validity, of any of the transactions contemplated by this Agreement or any other Credit Document. No judgment, decree or order of any court, board or other governmental or administrative agency or any arbitrator has been issued against or binds any Restricted Company which has resulted, or poses a material risk of resulting, in any Material Adverse Change.

8.7. Tax Returns. Except as would not result, or create a material risk of resulting, in a Material Adverse Change, each of the Restricted Companies has filed all material tax and information returns which are required to be filed by it and has paid, or made adequate provision for the payment of, all taxes which have or may become due pursuant to such returns or to any assessment received by it

(except for taxes being disputed in good faith and for which sufficient reserves have been established) and no Restricted Company knows of any material additional assessments or any basis therefor and the Restricted Companies reasonably believe that the charges, accruals and reserves on the books of the Restricted Companies in respect of taxes or other governmental charges are adequate.

8.8. Authorization and Enforceability. The Borrower and each Guarantor has taken all organizational action required to execute, deliver and perform this Agreement and each other Credit Document to which it is party. Each of this Agreement and each other Credit Document constitutes the legal, valid and binding obligation of each Restricted Company party thereto and is enforceable against such Person in accordance with its terms.

8.9. No Legal Obstacle to Agreements. Neither the execution and delivery of this Agreement or any other Credit Document, nor the making of any borrowings hereunder, nor the guaranteeing of the Credit Obligations, nor the securing of the Credit Obligations with any Credit Security, has constituted or resulted in or will constitute or result in:

(a) any breach or termination of the provisions of any material agreement, instrument, deed or lease to which any Holding Company is a party or by which it is bound, or of the Charter or By-laws of any Holding Company;

(b) the violation of any law, statute, judgment, decree or governmental order, rule or regulation applicable to any Holding Company;

(c) the creation under any agreement, instrument, deed or lease of any Lien (other than Liens on Credit Security which secure the Credit Obligations) upon any of the assets of any Holding Company; or

(d) any redemption, retirement or other repurchase obligation of any Holding Company under any Charter or By-law or of any material agreement, instrument, deed or lease.

No approval, authorization or other action by, or declaration to or filing with, any governmental or administrative authority or any other Person that has not been obtained or made is required to be obtained or made by any Holding Company in connection with the execution, delivery and performance of this Agreement, the Notes or any other Credit Document, the making of any borrowing hereunder, the guaranteeing of the Credit Obligations or the securing of the Credit Obligations with the Credit Security.

8.10. Defaults. No Restricted Company is in default under any provision of its Charter or By-laws or of this Agreement or any other Credit Document. No Restricted Company is in default under any provision of any agreement, instrument, deed or lease to which it is party or by which it or its property is bound, or has violated any law, judgment, decree or governmental order, rule or regulation, in each case so as to result, or creates a material risk of resulting, in any Material Adverse Change.

8.11. Certain Business Representations.

8.11.1. Labor Relations. No dispute or controversy between any Restricted Company and any of its employees has resulted, or is reasonably likely to result, in any Material Adverse Change, and no Restricted Company anticipates that its relationships with its unions or employees will result, or are reasonably likely to result, in any Material Adverse Change. Each Restricted Company is in compliance in all material respects with all federal and state laws with respect to (a) non-discrimination in employment with which the failure to comply, in the aggregate, has resulted in, or poses a material risk of

resulting in, a Material Adverse Change and (b) the payment of wages, the failure of which to pay, in the aggregate, has resulted in, or creates a material risk of resulting in, a Material Adverse Change.

8.11.2. Antitrust. Each of the Restricted Companies is in compliance in all material respects with all federal and state antitrust laws relating to its business and the geographic concentration of its business.

8.11.3. Consumer Protection. No Restricted Company is in violation of any rule, regulation, order, or interpretation of any rule, regulation or order of the Federal Trade Commission (including truth-in-lending), with which the failure to comply, in the aggregate, has resulted in, or poses a material risk of resulting in, a Material Adverse Change.

8.12. Environmental Regulations.

8.12.1. Environmental Compliance. Each of the Restricted Companies is in compliance in all material respects with the Clean Air Act, the Federal Water Pollution Control Act, the Marine Protection Research and Sanctuaries Act, the Resource Conservation and Recovery Act, CERCLA and any similar state or local statute or regulation in effect in any jurisdiction in which any properties of any Restricted Company are located or where any of them conducts its business, and with all applicable published rules and regulations (and applicable standards and requirements) of the federal Environmental Protection Agency and of any similar agencies in states or foreign countries in which any Restricted Company conducts its business, other than any noncompliance which in the aggregate has not resulted in, and could not reasonably be expected to result in, a Material Adverse Change.

8.12.2. Environmental Litigation. Except as would not result in, or could not reasonably be expected to result in, a Material Adverse Change, no suit, claim, action or proceeding of which any Restricted Company has been given notice or otherwise to its knowledge is now pending before any court, governmental agency or board or other forum, or to any Restricted Company's knowledge, threatened by any Person (nor to any Restricted Company's knowledge, does any factual basis exist therefor) for, and the Restricted Companies have received no written correspondence from any federal, state or local governmental authority with respect to any of the following that has resulted in, or creates a material risk of resulting in, a Material Adverse Change:

(a) noncompliance in any material respect by any Restricted Company with any such environmental law, rule or regulation;

(b) material liabilities for personal injury, wrongful death or other tortious conduct relating to materials, commodities or products used, generated, sold, transferred or manufactured by any Restricted Company (including products made of, containing or incorporating asbestos, lead or other hazardous materials, commodities or toxic substances); or

(c) the release into the environment by any Restricted Company of any material amount of Hazardous Material generated by any Restricted Company whether or not occurring at or on a site owned, leased or operated by any Restricted Company.

8.12.3. Hazardous Material. The Restricted Companies have provided to the Lenders a written list as of the Initial Closing Date of all waste disposal or dump sites at which a material amount of Hazardous Material generated by any Restricted Company has been disposed of directly by the Restricted Companies and all independent contractors to whom the Restricted Companies have delivered Hazardous Material, or to any Restricted Company's knowledge, finally came to be located, and indicates all such

sites which are or have been included (including as a potential or suspect site) in any published federal, state or local "superfund" or other list of hazardous or toxic waste sites. Any waste disposal or dump sites at which Hazardous Material generated by any Restricted Company has been disposed of directly by the Restricted Companies and all independent contractors to whom the Restricted Companies have delivered Hazardous Material, or to any Restricted Company's knowledge, finally came to be located, has not resulted in, and could not reasonably be expected to result in, a Material Adverse Change.

8.12.4. Environmental Condition of Properties. Except as would not result in, or could not reasonably be expected to result in, a Material Adverse Change, none of the properties owned or, to its knowledge, leased by any Restricted Company has been used as a treatment, storage or disposal site. No Hazardous Material is present in any real property currently or formerly owned or operated by any Restricted Company except that which would not reasonably be expected to result in a Material Adverse Change.

8.13. Pension Plans. Each Plan is in material compliance with the applicable provisions of ERISA and the Code. No Plan is a Multiemployer Plan or a "defined benefit plan" (as defined in ERISA). Each Commonly Controlled Entity has met all of the funding standards applicable to all Plans, and no condition exists which would permit the institution of proceedings to terminate any Plan under Section 4042 of ERISA.

8.14. Government Regulation; Margin Stock.

8.14.1. Government Regulation. No Restricted Company, nor any Person controlling any Restricted Company or under common control with any Restricted Company is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Investment Company Act, the Interstate Commerce Act or any similar federal or state statutes. Each Lender is aware that various aspects of the business conducted by Restricted Companies, including the nature of the services required to be furnished and the rates which may be charged therefor, are subject to regulation by federal, state and local governmental authorities.

8.14.2. Margin Stock. The Restricted Companies do not own Margin Stock having a book value exceeding 20% of the Consolidated assets of the Restricted Companies determined in accordance with GAAP.

8.15. Disclosure. Neither this Agreement nor any other Credit Document to be furnished to the Lenders by or on behalf of any Restricted Company in connection with the transactions contemplated hereby or by such Credit Document contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

9. Defaults.

9.1. Events of Default. The following events are referred to as "Events of Default":

9.1.1. Non-Payment. The Borrower shall fail to make any payment in respect of: (a) interest or any fee on or in respect of any of the Credit Obligations owed by it as the same shall become due and payable, and such failure shall continue for a period of five days, or (b) principal of any of the Credit Obligations owed by it as the same shall become due, whether at maturity or by acceleration or otherwise.

9.1.2. Breach of Designated Covenants. Any Restricted Company shall fail to perform or observe any of the provisions of Sections 7.5 through 7.12, 7.14, 7.17, 7.18 or 7.19.

9.1.3. Breach of Other Covenants. Any Restricted Company or any of its Affiliates party to any Credit Document shall fail to perform or observe any other covenant, agreement or provision to be performed or observed by it under this Agreement or any other Credit Document, and such failure shall not be rectified or cured to the reasonable satisfaction of the Required Lenders within 30 days after notice thereof by the Administrative Agent to the Company.

9.1.4. Misrepresentation. Any representation or warranty of or with respect to any Restricted Company or any of its Affiliates party to any Credit Document made to the Lenders in, pursuant to or in connection with this Agreement or any other Credit Document or in any financial statement, report, notice, mortgage, assignment or certificate delivered to the Agent or any of the Lenders by any Restricted Company or any other Obligor in connection herewith or therewith, shall be materially false or misleading on the date as of which it was made.

9.1.5. Cross-Default, etc.

(a) Charter Communications VII or any Restricted Company shall fail to make any payment when due (after giving effect to any applicable grace periods) in respect of any Material Financing Debt;

(b) Charter Communications VII or any Restricted Company shall fail to perform or observe the terms of any agreement relating to any Material Financing Debt, and such failure shall continue, without having been duly cured, waived or consented to, beyond the period of grace, if any, specified in such agreement, and such failure shall permit the acceleration of such Material Financing Debt;

(c) all or any part of any Material Financing Debt of Charter Communications VII or any Restricted Company shall be accelerated or become due or payable prior to its stated maturity for any reason whatsoever (other than voluntary prepayments or any mandatory prepayment not resulting from a Default thereof);

(d) any Lien on any property of Charter Communications VII or any Restricted Company securing any Material Financing Debt shall be enforced by foreclosure or similar action; or

(e) any holder of any Material Financing Debt shall exercise any right of rescission with respect to the issuance thereof, or put or repurchase rights against any Obligor with respect to such Material Financing Debt (other than any such rights that may be satisfied with “payment in kind” notes or other similar securities).

9.1.6. Change of Control, etc. Any of the following events shall occur:

(a) the Paul Allen Group shall cease to have the power, directly or indirectly, to vote or direct the voting of Equity Interests having at least 51% (determined on a fully diluted basis) of the ordinary voting power for the management of the Borrower;

(b) the Paul Allen Group shall cease to own of record and beneficially, directly or indirectly, Equity Interests of the Borrower representing at least 25% (determined on a fully diluted basis) of the economic interests therein;

(c) a Specified Change of Control shall occur; or

(d) less than 100% of the outstanding Equity Interests of the Borrower shall be pledged to the Administrative Agent pursuant to the Pledge and Subordination Agreement or otherwise as security for the Credit Obligations.

9.1.7. Enforceability, etc. Any Credit Document shall cease, for any reason (other than the scheduled or other agreed termination thereof in accordance with its terms), to be in full force and effect; or any Restricted Company or any of its Affiliates party thereto shall so assert in a judicial or similar proceeding; or the security interests created by this Agreement and the other Credit Documents shall cease to be enforceable and of the same effect and priority purported to be created hereby, except to the extent expressly agreed by the Required Lenders.

9.1.8. Judgments, etc. A final judgment (a) which with other outstanding final judgments against the Restricted Companies, exceeds an aggregate of $10,000,000 (in excess of applicable insurance coverage) shall be rendered against any Restricted Company or its Affiliates party to any Credit Document, or (b) which grants injunctive relief that results in, or poses a material risk of resulting in, a Material Adverse Change, and if, within 30 days after entry thereof, such judgment shall not have been discharged or execution thereof stayed pending appeal, or if, within 30 days after the expiration of any such stay, such judgment shall not have been discharged.

9.1.9. Franchise Revocation, etc. Except as would not result in, or be reasonably likely to result in, a Material Adverse Change, Franchises covering a number of Subscribers greater than 25% of the Subscriber Measurement Base shall have been revoked, or terminated with a notice from the applicable franchising authority that such Franchises will not be renewed. As used in this Section 9.1.9, “Subscriber Measurement Base” refers to, at any date of determination, the total number of Subscribers of the Restricted Companies on the Second Restatement Effective Date adjusted upwards or downwards, as applicable, to reflect any additions to or subtractions from such number after the Second Restatement Effective Date and prior to such date of determination, other than as a result of the circumstances described in this Section.

9.1.10. ERISA. (a) Commonly Controlled Entities shall fail to pay when due amounts (other than amounts being contested in good faith through appropriate proceedings) for which they shall have become liable under Title IV of ERISA to pay to the PBGC or to a Plan, (b) the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Plan or a proceeding shall be instituted by a fiduciary of any Plan against any Commonly Controlled Entity to enforce Sections 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter, or (c) a condition shall exist which would require the PBGC to obtain a decree adjudicating that any Plan must be terminated; and in each case in clauses (a) through (b) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Required Lenders, reasonably be expected to result in a Material Adverse Change.

9.1.11. Bankruptcy, etc. Any Restricted Company, Charter Communications VII, any Minority Interest HoldCo or any other Obligor shall:

(a) commence a voluntary case under the Bankruptcy Code or authorize, by appropriate proceedings of its board of directors or other governing body, the commencement of such a voluntary case;

(b) have filed against it a petition commencing an involuntary case under the Bankruptcy Code which shall not have been dismissed within 60 days after the date on which such petition is filed; or file an answer or other pleading within such 60-day period admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief therein provided;

(c) have entered against it an order for relief in any involuntary case commenced under the Bankruptcy Code;

(d) seek relief as a debtor under any applicable law, other than the Bankruptcy Code of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or consent to or acquiesce in such relief;

(e) have altered against it an order by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation, reorganization or ally modification or alteration of the rights of its creditors or (iii) assuming custody of, or appointing a receiver or other custodian for, all or a substantial portion of its property; or

(f) make an assignment for the benefit of, or enter into a composition with, its creditors, or appoint, or consent to the appointment of, or suffer to exist a receiver or other custodian for, all or a substantial portion of its property.

9.1.12. Charter Communications VII. Charter Communications VII shall (a) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of Equity Interests in any Restricted Company, (b) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (i) nonconsensual obligations imposed by operation of law, (ii) pursuant to the Credit Documents to which it is a party and (iii) Indebtedness owing to any Affiliate of Charter Communications VII the net cash proceeds of which are contributed or loaned to the Borrower (it being understood that the Borrower may in turn use such proceeds to make Investments permitted by Section 7.9) or (c) own, lease, manage or otherwise operate any properties or assets other than Equity Interests in the Borrower.

9.1.13. Minority Interest HoldCo. Any Minority Interest HoldCo shall fail to be a party to the Pledge and Subordination Agreement.

9.2. Certain Actions Following an Event of Default. If any one or more Events of Default shall occur and be continuing, then in each and every such case:

9.2.1. No Obligation to Extend Credit. The Administrative Agent may (and upon written request of such Lenders as own a majority of the Percentage Interests in the Revolving Loan shall) suspend or terminate the obligations of the Revolving Lenders to make any further extensions of credit under the Credit Documents by furnishing notice thereof to the Borrower. The Administrative Agent may (and upon written request of such Lenders as own a majority of the Percentage Interests in the New

Restatement Revolving Loan shall) suspend or terminate the obligations of the New Restatement Revolving Lenders to make any further extensions of credit under the Credit Documents by furnishing notice thereof to the Borrower. The Administrative Agent may (and upon written request of such Lenders as own a majority of the Percentage Interests in the Supplemental Restatement Revolving Loan shall) suspend or terminate the obligations of the Supplemental Restatement Revolving Lenders to make any further extensions of credit under the Credit Documents by furnishing notice thereof to the Borrower.

9.2.2. Specific Performance; Exercise of Rights. The Administrative Agent may (and upon written request of the Required Lenders shall) proceed to protect and enforce the Lenders' rights by suit in equity, action at law and/or other appropriate proceeding, either for specific performance of any covenant or condition contained in this Agreement or any other Credit Document or in any instrument or assignment delivered to the Lenders pursuant to this Agreement or any other Credit Document, or in aid of the exercise of any power granted in this Agreement or any other Credit Document or any such instrument or assignment.

9.2.3. Acceleration. The Administrative Agent on behalf of the Lenders may (and upon written request of the Required Lenders shall) by notice in writing to the Borrower declare all or any part of the unpaid balance of the Credit Obligations then outstanding to be immediately due and payable, and thereupon such unpaid balance or part thereof shall become so due and payable without presentation, protest or further demand or notice of any kind, all of which are hereby expressly waived; provided, however, that if a Bankruptcy Default shall have occurred, the unpaid balance of the Credit Obligations shall automatically become immediately due and payable.

9.2.4. Enforcement of Payment; Credit Security; Setoff. The Administrative Agent may (and upon written request of the Required Lenders shall) proceed to enforce payment of the Credit Obligations in such manner as it may elect (or have been instructed by the Required Lenders) and to realize upon any and all rights in any Credit Security. The Lenders may offset and apply toward the payment of the Credit Obligations (and/or toward the curing of any Event of Default) any Indebtedness from the Lenders to the respective Obligors, including any Indebtedness represented by deposits in any account maintained with the Lenders, regardless of the adequacy of any security for the Credit Obligations. The Lenders shall have no duty to determine the adequacy of any such security in connection with any such offset.

9.2.5. Cumulative Remedies. To the extent not prohibited by applicable law which cannot be waived, all of the Lenders' rights hereunder and under each other Credit Document shall be cumulative.

9.3. Annulment of Defaults. Any Default or Event of Default shall be deemed to exist and to be continuing for any purpose of this Agreement until the Required Lenders or the Administrative Agent (with the consent of the Required Lenders) shall have waived such Default or Event of Default in writing, stated in writing that the same has been cured to such Lenders' reasonable satisfaction or entered into an amendment to this Agreement which by its express terms cures such Default or Event of Default or until such Default or Event of Default is actually cured. No such action by the Lenders or the Administrative Agent shall extend to or affect any subsequent Default or Event of Default or impair any rights of the Lenders upon the occurrence thereof. The making of any extension of credit during the existence of any Default or Event of Default shall not constitute a waiver thereof.

9.4. Waivers. Each of the Restricted Companies waives to the extent not prohibited by the provisions of applicable law that cannot be waived:

(a) all presentments, demands for performance, notices of nonperformance (except to the extent required by the provisions of this Agreement or any other Credit Document), protests, notices of protest and notices of dishonor;

(b) any requirement of diligence or promptness on the part of any Lender in the enforcement of its rights under this Agreement, the Notes or any other Credit Document;

(c) any and all notices (other than notices required by any other provision of this Agreement) of every kind and description which may be required to be given by any statute or rule of law; and

(d) any defense (other than indefeasible payment in full or dispute of facts) which it may now or hereafter have with respect to its liability under this Agreement, the Notes or any other Credit Document or with respect to the Credit Obligations.

10. Expenses; Indemnity.

10.1. Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Obligors jointly and severally will pay:

(a) all reasonable out-of-pocket expenses of the Administrative Agent (including reasonable fees and disbursements of the special counsel to the Administrative Agent) in connection with the preparation and duplication of this Agreement, each other Credit Document, examinations by, and reports of, commercial financial examiners selected by the Administrative Agent, the transactions contemplated hereby and thereby and operations and amendments hereunder and thereunder, subject to the acceptance of the Obligors, which acceptance shall not be unreasonably withheld;

(b) all recording and filing fees and transfer and documentary stamp and similar taxes at any time payable in respect of this Agreement, any other Credit Document, any Credit Security or the incurrence of the Credit Obligations; and

(c) to the extent not prohibited by applicable law that cannot be waived, all other reasonable out-of-pocket costs and expenses (including a reasonable allowance for the hourly cost of attorneys employed by any of the Lenders on a salaried basis and any special counsel to the Lenders) incurred by the Lenders or the holder of any Credit Obligation in connection with the enforcement of any rights hereunder or under any other Credit Document, including such reasonable costs and expenses incurred after the occurrence of an Event of Default (i) in enforcing any Credit Obligation or in foreclosing against the Credit Security, or exercising or enforcing any other right or remedy available by reason of such Event of Default; (ii) in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement or any other Credit Document in the nature of a workout or in any insolvency or bankruptcy proceeding; (iii) in commencing, defending or intervening in any litigation or in filing a petition, complaint, answer, motion or other pleadings in any legal proceeding; (iv) in taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise); and (v) in protecting, preserving, collecting, leasing, selling, taking possession of or liquidating any of the Credit Security; provided, however, that the foregoing indemnity in this paragraph (c) shall not apply (A) to litigation commenced by the Borrower against the Lenders which seeks enforcement of any of the rights of the Borrower hereunder or under any other Credit Document and is determined adversely to the Lenders in a final nonappealable judgment and (B) to the extent such

claims, damages, liabilities and expenses result from a Lender's gross negligence or willful misconduct.

10.2. General Indemnity. The Obligors will, jointly and severally, indemnify the Lenders and hold them harmless from any claims, damages, liabilities, losses and reasonable expenses (including reasonable fees and disbursements of counsel with whom any Indemnified Party may consult in connection therewith and all reasonable expenses of litigation or preparation therefor) resulting from the violation by the Borrower of Section 2.6. The Obligors will also, jointly and severally, indemnify each Lender, each of the Lenders' directors, officers and employees, and each Person, if any, who controls any Lender (each Lender and each of such directors, officers, employees and control Persons is referred to as an "Indemnified Party") and hold each of them harmless from and against any and all claims, damages, liabilities, losses and reasonable expenses (including reasonable fees and disbursements of counsel with whom any Indemnified Party may consult in connection therewith and all reasonable expenses of litigation or preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party in connection with (a) the Indemnified Party's compliance with or contest of any subpoena or other process issued against it in any proceeding involving any Restricted Company or Affiliates, (b) any litigation or investigation involving the Restricted Companies or their Affiliates, or any officer, director or employee thereof, (c) the existence or exercise of any security rights with respect to the Credit Security in accordance with the Credit Documents or (d) this Agreement, any other Credit Document or any transactions contemplated hereby or thereby, other than (i) litigation commenced by the Borrower against the Lenders which seeks enforcement of any of the rights of the Borrower hereunder or under any other Credit Document and is determined adversely to the Lenders in a final nonappealable judgment and (ii) to the extent such claims, damages, liabilities, losses and expenses result from a Lender's gross negligence or willful misconduct.

11. Operations.

11.1. Interests in Credits. The Percentage Interest of each Lender in the Loan and each Lender's related Commitments shall be computed based on the maximum principal amount for each Lender as set forth in the Register, as from time to time in effect. The respective amounts of each relevant Lender's Commitment in respect of the Revolving Loan and the New Restatement Revolving Loan, as of the Second Restatement Effective Date, are set forth in Exhibit 11.1.

11.2. Agents' Authority to Act, etc. Each of the Lenders appoints and authorizes the Specified Agents to act for the Lenders as the Lenders' Agents in connection with the transactions contemplated by this Agreement and the other Credit Documents or the terms set forth herein. In acting hereunder, each Specified Agent is acting for its own account to the extent of its Percentage Interest and for the account of each other Lender to the extent of the Lenders' respective Percentage Interests, and all action in connection with the enforcement of, or the exercise of any remedies (other than the Lenders' rights of set-off as provided in Section 9.2.4 or in any Credit Document) in respect of the Credit Obligations and Credit Documents shall be taken by the Administrative Agent. The Agents (other than the Specified Agents) shall have no duties or responsibilities under this Agreement or the other Credit Documents.

11.3. Borrower to Pay Agent, etc. The Borrower and each Guarantor shall be fully protected in making all payments in respect of the Credit Obligations to the Administrative Agent, in relying upon consents, modifications and amendments executed by the Administrative Agent purportedly on the Lenders' behalf, and in dealing with the Agents as herein provided. The Administrative Agent shall charge the account of the Borrower, on the dates when the amounts thereof become due and payable, with the amounts of the principal of and interest on the Loan, commitment fees and all other fees and

amounts owing under any Credit Document. All payments of any Credit Obligation shall be made in United States Funds.

11.4. Lender Operations for Advances, etc.

11.4.1. Advances. On each Closing Date, each Lender shall advance to the Administrative Agent in immediately available funds such Lender's Percentage Interest in the portion of the Loan advanced on such Closing Date prior to noon (New York time). If such funds are not received at such time, but all the conditions set forth in Section 5 have been satisfied, each Lender authorizes and requests the Administrative Agent to advance for the Lender's account, pursuant to the terms hereof, the Lender's respective Percentage Interest in such portion of the Loan and agrees to reimburse the Administrative Agent in immediately available funds for the amount thereof prior to 2:00 p.m. (New York time) on the day any portion of the Loan is advanced hereunder; provided, however, that the Administrative Agent is not authorized to make any such advance for the account of any Lender who has previously notified the Administrative Agent in writing that such Lender will not be performing its obligations to make further advances hereunder.

11.4.2. Administrative Agent to Allocate Payments, etc. All payments of principal and interest in respect of the extensions of credit made pursuant to this Agreement, commitment fees and other fees under this Agreement shall, as a matter of convenience, be made by the Borrower and the Guarantors to the Administrative Agent in immediately available funds. The share of each Lender shall be credited to such Lender by the Administrative Agent in immediately available funds in such manner that the principal amount of the Credit Obligations to be paid shall be paid proportionately in accordance with the Lenders' respective Percentage Interests in such Credit Obligations. Under no circumstances shall any Lender be required to produce or present its Notes as evidence of its interests in the Credit Obligations in any action or proceeding relating to the Credit Obligations.

11.4.3. Delinquent Lenders; Nonperforming Lenders. In the event that any Lender fails to reimburse the Administrative Agent pursuant to Section 11.4.1 for the Percentage Interest of such Lender (a "Delinquent Lender") in any credit advanced by the Administrative Agent pursuant hereto, overdue amounts (the "Delinquent Payment") due from the Delinquent Lender to the Administrative Agent shall bear interest, payable by the Delinquent Lender on demand, at a per annum rate equal to (a) the Federal Funds Rate for the first three days overdue and (b) the sum of 2% plus the Federal Funds Rate for any longer period. Such interest shall be payable to the Administrative Agent for its own account for the period commending on the date the Delinquent Payment was due and ending on the date the Delinquent Lender reimburses the Administrative Agent on account of the Delinquent Payment (to the extent not paid by a Restricted Company as provided below) and the accrued interest thereon (the "Delinquency Period"), whether pursuant to the assignments referred to below or otherwise. Within five Banking Days after the request by the Administrative Agent, the Borrower will pay to the Administrative Agent the principal (but not the interest) portion of the Delinquent Payment. During the Delinquency Period, in order to make reimbursements for the Delinquent Payment and accrued interest thereon, the Delinquent Lender shall be deemed to have assigned to the Administrative Agent all payments made by the Borrower under Section 4 which would have thereafter otherwise been payable under the Credit Documents to the Delinquent Lender. During any other period in which any Lender is not performing its obligations to extend credit under Section 2 (a "Nonperforming Lender"), the Nonperforming Lender shall be deemed to have assigned to each Lender that is not a Nonperforming Lender (a "Performing Lender") all payments made by the Borrower under Section 4 which would have thereafter otherwise been payable under the Credit Documents to the Nonperforming Lender, and the Administrative Agent shall credit a portion of such payments to each Performing Lender in an amount equal to the Percentage Interest of such Performing Lender divided by one minus the Percentage Interest of the Nonperforming

Lender until the respective portions of the Loan owed to all the Lenders are the same as the Percentage Interests of the Lenders immediately prior to the failure of the Nonperforming Lender to perform its obligations under Section 2. The foregoing provisions shall be in addition to any other remedies the Administrative Agent, the Performing Lenders or the Borrower may have under law or equity against the Delinquent Lender as a result of the Delinquent Payment or against the Nonperforming Lender as a result of its failure to perform its obligations under Section 2.

11.5. Sharing of Payments, etc. Each Lender agrees that (a) if by exercising any right of set-off or counterclaim or otherwise, it shall receive payment of a proportion of the aggregate amount of principal and interest due with respect to its Percentage Interest in the Loan which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal and interest due with respect to the Percentage Interest in the Loan of such other Lender and (b) if such inequality shall continue for more than 10 days, the Lender receiving such proportionately greater payment shall purchase participations in the Percentage Interests in the Loan held by the other Lenders, and such other adjustments shall be made from time to time (including rescission of such purchases of participations in the event the unequal payment originally received is recovered from such Lender through bankruptcy proceedings or otherwise), as may be required so that all such payments of principal and interest with respect to the Loan held by the Lenders shall be shared by the Lenders pro rata in accordance with their respective Percentage Interests, provided, however, that this Section 11.5 shall not impair the right of any Lender to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of Indebtedness of any Obligor other than such Obligor's Indebtedness with respect to the Loan. Each Obligor agrees, to the fullest extent permitted by applicable law, that any Credit Participant and any Lender purchasing a participation from another Lender pursuant to this Section 11.5 may exercise all rights of payment (including the right of set-off), and shall be obligated to share payments under this Section 11.5, with respect to its participation as fully as if such Credit Participant or such Lender were the direct creditor of the Obligors and a Lender hereunder in the amount of such participation.

11.6. Agent's Resignation or Removal. Any Agent may resign at any time by giving at least 60 days' prior written notice of its intention to do so to each of the other Lenders and the Borrower pending the appointment by the Borrower of a successor Agent reasonably satisfactory to the Required Lenders. If in the event of the resignation of any Agent, no successor Agent shall have been so appointed and shall have accepted such appointment within 45 days after the retiring Agent's giving of such notice of resignation, then the retiring Agent may with the consent of the Borrower, which shall not be unreasonably withheld, appoint a successor Agent which shall be a bank or a trust company organized, or having a branch that is licensed, under the laws of the United States of America or any state thereof and having a combined capital, surplus and undivided profit of at least $100,000,000; provided, however, that any successor Agent appointed under this sentence may be removed upon the written request of the Required Lenders, which request shall also appoint a successor Agent reasonably satisfactory to the Borrower. Any Agent may be removed upon the written request of such Lenders as own at least two thirds of the Percentage Interests, which request shall also appoint a successor Agent reasonably satisfactory to the Borrower. Upon the appointment of a new Agent hereunder, the term "Agent" shall for all purposes of this Agreement thereafter include such applicable successor Agent. In the event of the resignation or removal of any Agent that is not the Administrative Agent, no successor need be appointed. After any retiring Agent's resignation hereunder as Agent, or the removal hereunder of any Agent, the provisions of this Agreement shall continue to inure to the benefit of such Agent as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement.

11.7. Concerning the Agents.

11.7.1. Action in Good Faith, etc. Each Agent and its officers, directors, employees and agents shall be under no liability to any of the Lenders or to any future holder of any interest in the Credit Obligations for any action or failure to act taken or suffered in good faith, and any action or failure to act in accordance with an opinion of its counsel shall conclusively be deemed to be in good faith; provided, however, that the foregoing shall not extend to actions or omissions which are taken by an Agent with gross negligence or willful misconduct. Each Agent shall in all cases be entitled to rely, and shall be fully protected in relying, on instructions given to the Agent by the required holders of Credit Obligations as provided in this Agreement.

11.7.2. No Implied Duties, etc. Each Agent shall have and may exercise such powers as are specifically delegated to the Agent under this Agreement or any other Credit Document together with all other powers incidental thereto. Each Agent shall have no implied duties to any Person or any obligation to take any action under this Agreement or any other Credit Document except for action specifically provided for in this Agreement or any other Credit Document to be taken by such Agent. Before taking any action under this Agreement or any other Credit Document, each Agent may request an appropriate specific indemnity satisfactory to it from each Lender in addition to the general indemnity provided for in Section 11.10. Until the relevant Agent has received such specific indemnity, such Agent shall not be obligated to take (although it may in its sole discretion take) any such action under this Agreement or any other Credit Document. Each Lender confirms that the Agents do not have a fiduciary relationship to it under the Credit Documents. Each of the Restricted Companies confirms that neither of the Agents nor any other Lender has a fiduciary relationship to it under the Credit Documents.

11.7.3. Validity, etc. Subject to Section 11.7.1, the Agents shall not be responsible to any Lender or any future holder of any interest in the Credit Obligations (a) for the legality, validity, enforceability or effectiveness of this Agreement or any other Credit Document, (b) for any recitals, reports, representations, warranties or statements contained in or made in connection with this Agreement or any other Credit Document, (c) for the existence or value of any assets included in any security for the Credit Obligations, (d) for the perfection or effectiveness of any Lien purported to be included in such security or (e) for the specification or failure to specify any particular assets to be included in such security.

11.7.4. Compliance. The Agents shall not be obligated to ascertain or inquire as to the performance or observance of any of the terms of this Agreement or any other Credit Document; and in connection with any extension of credit under this Agreement or any other Credit Document, the Agents shall be fully protected in relying on a certificate of the Borrower or any Guarantor as to the fulfillment by the Borrower of any conditions to such extension of credit.

11.7.5. Employment of Agents and Counsel. The Agents may execute any of their duties as Agent under this Agreement or any other Credit Document by or through employees, agents and attorney-in-fact and shall not be responsible to any of the Lenders, any Restricted Company or any other Obligor (except as to money or securities received by the Agent or the Agent’s authorized agents) for the default or misconduct of any such agents or attorneys-in-fact selected by the Agent with reasonable care. The Agents shall be entitled to advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder or under any other Credit Document.

11.7.6. Reliance on Documents and Counsel. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any affidavit, certificate, cablegram, consent, instrument, letter, notice, order, document, statement, telecopy, telegram, telex or teletype message or writing reasonably believed in good faith by the Agent to be genuine and correct and to have been signed, sent or made by

the Person in question, including any telephonic or oral statement made by such Person, and, with respect to legal matters, upon the opinion of counsel selected by the Agent.

11.7.7. Agent's Reimbursement. Each of the Lenders severally agrees to reimburse the Agents in the amount of such Lender's Percentage Interest, for any reasonable expenses not reimbursed by the Borrower or the other Guarantors (without limiting the obligation of the Borrower or the other Guarantors to make such reimbursement): (a) for which the Agents are entitled to reimbursement by the Borrower or the other Guarantors under this Agreement or any other Credit Document, and (b) after the occurrence of a Default, for any other reasonable expenses incurred by the Agents on the Lenders' behalf in connection with the enforcement of the Lenders' rights under this Agreement or any other Credit Document; provided that the Agents shall not be reimbursed for any such expenses arising as a result of their gross negligence or willful misconduct.

11.8. Rights as a Lender. With respect to any credit extended by it hereunder, each financial institution serving as an Agent hereunder shall have the same rights, obligations and powers hereunder as any other Lender and may exercise such rights and powers as though it were not an Agent, and unless the context otherwise specifies, each such financial institution shall be treated in its individual capacity as though it were not an Agent hereunder. Without limiting the generality of the foregoing, the Percentage Interest of each such financial institution shall be included in any computations of Percentage Interests. Each such financial institution and its Affiliates may accept deposits from, lend money to, act as trustee for and generally engage in any kind of banking or trust business with the Restricted Companies or any Affiliate of any of them and any Person who may do business with or own an Equity Interest in the Restricted Companies or any Affiliate of any of them, all as if such financial institution was not an Agent and without any duty to account therefor to the other Lenders.

11.9. Independent Credit Decision. Each of the Lenders acknowledges that it has independently and without reliance upon the Agents, based on the financial statements and other documents referred to in Section 8.2, on the other representations and warranties contained herein and on such other information with respect to the Restricted Companies as such Lender deemed appropriate, made such Lender's own credit analysis and decision to enter into this Agreement and to make the extensions of credit provided for hereunder. Each Lender represents to the Agents that such Lender will continue to make its own independent credit and other decisions in taking or not taking action under this Agreement or any other Credit Document. Each Lender expressly acknowledges that neither the Agents nor any of their officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to such Lender, and no act by the Agents taken under this Agreement or any other Credit Document; including any review of the affairs of the Restricted Companies, shall be deemed to constitute any representation or warranty by the Agents. Except for notices, reports and other documents expressly required to be furnished to each Lender by the Agents under this Agreement or any other Credit Document, the Agents shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition, financial or otherwise, or credit worthiness of any Restricted Company which may come into the possession of the Agents or any of their officers, directors, employees, agents, attorneys-in-fact or Affiliates.

11.10. Indemnification. The holders of the Credit Obligations agree to indemnify the Agents (to the extent not reimbursed by the Obligors and without limiting the obligation of any of the Obligors to do so), pro rata according to their respective aggregate Percentage Interests, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and reasonable costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Agents in their capacity as Agents hereunder relating to or arising out of this Agreement, any other Credit Document, the transactions contemplated hereby or thereby, or any action taken or omitted by the Agents in connection with any of the foregoing; provided, however, that the

foregoing shall not extend to (a) litigation commenced by the holders of the Credit Obligations against the Agents which seeks enforcement of any of the rights of such holders hereunder or under any other Credit Document and is determined adversely to the Agents in a final nonappealable judgment or (b) actions or omissions which are taken by the Agents with gross negligence or willful misconduct.

12. Successors and Assigns; Lender Assignments and Participations. Any reference in this Agreement to any of the parties hereto shall be deemed to include the successors and assigns of such party, and all covenants and agreements by or on behalf of the Borrower, the other Guarantors, the Agents or the Lenders that are contained in this Agreement or any other Credit Document shall bind and inure to the benefit of their respective successors and assigns; provided, however, that (a) the Restricted Companies may not assign their rights or obligations under this Agreement except for mergers or liquidations permitted by Section 7.11.2, and (b) the Lenders shall be not entitled to assign their respective Percentage Interests in the Loan hereunder except as set forth below in this Section 12.

12.1. Assignments by Lenders.

12.1.1. Assignees and Assignment Procedures. Each Lender may (a) without the consent of the Administrative Agent or the Borrower if the proposed assignee is already a Lender hereunder, a Related Fund, Affiliate or a Subsidiary of the same corporate parent of which the assigning Lender or any other Lender is a Subsidiary, or (b) otherwise with the consents of the Administrative Agent and (so long as no Event of Default has occurred and is continuing) the Borrower (which consents will not be unreasonably withheld) in compliance with applicable laws in connection with such assignment, assign to one or more commercial banks or other financial institutions or other entity reasonably acceptable to the Borrower (each, an "Assignee") all or a portion of its interests, rights and obligations under this Agreement and the other Credit Documents, including all or a portion of its Commitment, the portion of the Loan at the time owing to it and the Notes held by it; provided, however, that:

(i) the aggregate amount of the Commitment or Loan of the assigning Lender subject to each assignment described in clause (b) above (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agents shall be not less than (x) except in the case of any Term Loan or term Supplemental Facility, $5,000,000 and in increments of $1,000,000 and (y) in the case of any Term Loan or term Supplemental Facility, $2,000,000 and in increments of $500,000 (or, in each case, if smaller, the entire Commitment or Loans of such assigning Lender), provided that the amounts described above shall be aggregated in respect of each Lender and its Related Funds, if any (except that in no event shall any sub-allocation pursuant to this proviso be in an amount of less than $500,000); and

(ii) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance (the "Assignment and Acceptance") substantially in the form of Exhibit 12.1.1, together with the Note or Notes subject to such assignment and, in the case of an assignment described in clause (b) above, a processing and recordation fee of $3,500 (with only one such fee payable in the case of simultaneous assignments by or to a group of Related Funds).

Upon acceptance and recording pursuant to Section 12.1.4, from and after the effective date specified in each Assignment and Acceptance (which effective date shall be at least five Banking Days after the execution thereof unless waived by the Administrative Agent):

(1) the Assignee shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and

(2) the assigning Lender shall, to the extent provided in such assignment, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.2.4, 3.4, 3.5, 3.6 and 10, as well as to any fees accrued for its account hereunder and not yet paid).

12.1.2. Terms of Assignment and Acceptance. By executing and delivering an Assignment and Acceptance, the assigning Lender and Assignee shall be deemed to confirm to and agree with each other and the other parties hereto as follows:

(a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto;

(b) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Restricted Companies or the performance or observance by the Borrower or any Guarantor of any of its obligations under this Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto;

(c) such Assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.2 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance;

(d) such Assignee will independently and without reliance upon the Agents, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement;

(e) such Assignee appoints and authorizes the Agents to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agents by the terms hereof, together with such powers as are reasonably incidental thereto; and

(f) such Assignee agrees that it will perform in accordance with the terns of this Agreement all the obligations which are required to be performed by it as a Lender.

12.1.3. Register. The Administrative Agent shall maintain at the Houston Office a register (the "Register") for the recordation of (a) the names and addresses of the Lenders and the Assignees which assume rights and obligations pursuant to an assignment under Section 12.1.1, (b) the Percentage Interest of each such Lender as set forth in Section 11.1 and (c) the amount of the Loan owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agents and the Lenders may treat each Person whose name is

registered therein for the purposes as a party to this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

12.1.4. Acceptance of Assignment and Assumption. Upon its receipt of a completed Assignment and Acceptance executed by an assigning Lender and an Assignee together with the Note or Notes subject to such assignment, and the processing and recordation fee referred to in Section 12.1.1, the Administrative Agent shall (a) accept such Assignment and Acceptance, (b) record the information contained therein in the Register and (c) give prompt notice thereof to the Borrower. Within five Banking Days after receipt of notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent, in exchange for the surrendered Note or Notes, a new Note or Notes to the order of such Assignee in a principal amount equal to the applicable Commitment and Loan assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment and Loan, a new Note to the order of such assigning Lender in a principal amount equal to the applicable Commitment and Loan retained by it. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, and shall be dated the date of the surrendered Notes which they replace.

12.1.5. Pledges. Notwithstanding the foregoing provisions of this Section 12, any Lender may at any time pledge or assign all or any portion of such Lender's rights under this Agreement and the other Credit Documents to any representative of its creditors (including a Federal Reserve Bank); provided, however, that no such pledge or assignment shall release such Lender from such Lender's obligations hereunder or under any other Credit Document.

12.1.6. Further Assurances. The Restricted Companies shall sign such documents and take such other actions from time to time reasonably requested by an Assignee to enable it to share in the benefits of the rights created by the Credit Documents.

12.2. Credit Participants. Each Lender may, without the consent of the Borrower or any Agent, in compliance with applicable laws in connection with such participation, sell to one or more Qualified Institutional Buyers (each a "Credit Participant") participations in all or a portion of its interests, rights and obligations under this Agreement and the other Credit Documents (including all or a portion of its Commitment and the Loan owing to it and the Notes held by it); provided, however, that:

(a) such Lender's obligations under this Agreement shall remain unchanged;

(b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;

(c) the Credit Participant shall be entitled to the benefit of the cost protection provisions contained in Sections 3.2.4, 3.4, 3.5, 3.6 and 10, but shall not be entitled to receive any greater payment thereunder than the selling Lender would have been entitled to receive with respect to the interest so sold if such interest had not been sold; and

(d) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loan and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers with respect to any fees

payable hereunder or the amount of principal of or the rate at which interest is payable on the Loan, or the final maturity date of any portion of the Loan).

12.3. Replacement of Lender. In the event that any Lender or, to the extent applicable, any Credit Participant (the "Affected Lender"):

(a) fails to perform its obligations to fund any portion of the Loan on any Closing Date when required to do so by the terms of the Credit Documents, or fails to provide its portion of any Eurodollar Pricing Option on account of a Legal Requirement as contemplated by Section 3.2.5 or the unavailability of Eurodollar deposits as contemplated by the last sentence of Section 3.2.1;

(b) demands payment under the Tax provisions of Section 3.4, the capital adequacy provisions of Section 3.5 or the regulatory change provisions in Section 3.6 in an amount the Restricted Companies deem materially in excess of the amounts with respect thereto demanded by the other Lenders; or

(c) refuses to consent to a proposed amendment, modification, waiver or other action that is consented to by Lenders holding at least 80% of the Percentage Interests the consent of which is requested in connection with the proposed amendment, modification, waiver or other action;

then, so long as no Event of Default exists, the Restricted Companies shall have the right to seek a replacement lender or lenders reasonably satisfactory to the Administrative Agent (the "Replacement Lender"). The Replacement Lender shall purchase the interests of the Affected Lender in the Loan and its Commitment and shall assume the obligations of the Affected Lender hereunder and under the other Credit Documents upon execution by the Replacement Lender of an Assignment and Acceptance and the tender by it to the Affected Lender of a purchase price agreed between it and the Affected Lender (or, if they are unable to agree, a purchase price in the amount of the Affected Lender's Percentage Interest in the Loan and all other outstanding Credit Obligations then owed to the Affected Lender). Such assignment by the Affected Lender shall be deemed an early termination of any Eurodollar Pricing Option to the extent of the Affected Lender's portion thereof, and the Restricted Companies will pay to the Affected Lender any resulting amounts due under Section 3.2.4. Upon consummation of such assignment, the Replacement Lender shall become party to this Agreement as a signatory hereto and shall have all the rights and obligations of the Affected Lender under this Agreement and the other Credit Documents with a Percentage Interest equal to the Percentage Interest of the Affected Lender, the Affected Lender shall be released from its obligations hereunder and under the other Credit Documents, and no further consent or action by any party shall be required. Upon the consummation of such assignment, the Restricted Companies, the Agent and the Affected Lender shall make appropriate arrangements so that new Notes are issued to the Replacement Lender. The Restricted Companies shall sign such documents and take such other actions reasonably requested by the Replacement Lender to enable it to share in the benefits of the rights created by the Credit Documents. Until the consummation of an assignment in accordance with the foregoing provisions of this Section 12.3, the Restricted Companies shall continue to pay to the Affected Lender (or to the Administrative Agent for the account of the Affected Lender, as applicable) any Credit Obligations as they become due and payable.

13. Confidentiality. Each Lender agrees that it will make no disclosure of confidential information furnished to it by any Restricted Company unless such information shall have become public, except:

(a) in connection with operations under or the enforcement of this Agreement or any other Credit Document;

(b) pursuant to any statutory or regulatory requirement or any mandatory court order, subpoena or other legal process;

(c) to any parent or corporate Affiliate of such Lender or to any Credit Participant, proposed Credit Participant or proposed Assignee; provided, however, that any such Person shall agree to comply with the restrictions set forth in this Section 13 with respect to such information;

(d) to its independent counsel, auditors and other professional advisors with an instruction to such Person to keep such information confidential; and

(e) to any direct or indirect contractual counterparty in swap agreements with the same professional advisor as the Lender or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor agrees to be bound by the provisions of this Section 13); and

(f) with the prior written consent of the Borrower, to any other Person.

14. Foreign Lenders. If any Lender is not created or organized in, or under the laws of, the United States of America or any state thereof, such Lender, to the extent it may legally do so, shall deliver to the Borrower and the Administrative Agent the forms described in one of the following two clauses:

(a) two fully completed and duly executed United States Internal Revenue Service Forms 1001 or 4224 or any successor forms, as the case may be, certifying that such Lender is entitled to receive payments of the Credit Obligations payable to it without deduction or withholding of any United States federal income taxes; or

(b) a statement, executed by such Lender under penalty of perjury, certifying that such Lender is not a "bank" within the meaning of section 881(c)(3)(A) of the Code and two fully completed and duly executed United States Internal Revenue Service Forms W-8 or any successor forms certifying that such Lender is not a "United States person" within the meaning of section 7701(a)(30) of the Code.

Each Lender that delivers any form or statement pursuant to this Section 14 further undertakes to renew such forms and statements by delivering to the Borrower and the Administrative Agent any updated forms, successor forms or other certification, as the case may be, on or before the date that any form or statement previously delivered pursuant to this Section 14 expires or becomes obsolete or after the occurrence of any event requiring a change in such most recent form or statement. If at any time the Borrower and the Administrative Agent have not received all forms and statements (including any renewals thereof) required to be provided by any Lender pursuant to this Section 14, Section 3.4 shall not apply with respect to any amount of United States federal income taxes required to be withheld from payments of the Credit Obligations to such Lender.

15. Notices. Except as otherwise specified in this Agreement, any notice required to be given pursuant to this Agreement shall be given in writing. Any notice, demand or other communication in connection with this Agreement shall be deemed to be given if given in writing (including telecopy or similar teletransmission) addressed as provided below (or to the addressee at such other address as the

addressee shall have specified by notice actually received by the addressor), and if either (a) actually delivered in fully legible form to such address or (b) in the case of a letter, five days shall have elapsed after the same shall have been deposited in the United States mails, with first-class postage prepaid and registered or certified.

If to any Restricted Company, to it at its address set forth in Exhibit 8.1 (as supplemented pursuant to Sections 7.4.1 and 7.4.2), to the attention of the chief financial officer.

If to any Lender, to it at its address as notified to the Administrative Agent, with copies to the Administrative Agent.

16. Limited Recourse Against Partners. The remedies of the holders of the Credit Obligations, including any remedy which could be exercised upon the occurrence of an Event of Default, shall be limited to the extent that none of the partners, members or shareholders of any Obligor shall have any personal liability as a general partner or limited partner of any Obligor with respect to the Credit Obligations, and in no event shall any such partner be personally liable as a general partner or limited partner for any deficiency judgment for any Credit Obligation; provided, however, that the provisions of this Section 16 shall not impair the ability of any holder of any Credit Obligation (a) to realize on the assets of any Obligor or any of its Subsidiaries or on any other security, including any personal property or Capital Stock pledged to secure the Credit Obligations or (b) to pursue any remedy against any guarantor of the Credit Obligations or (c) to recover any Distribution made in violation of Section 7.10.

17. Amendments, Consents, Waivers, etc.

17.1. Lender Consents for Amendments. Except as otherwise set forth herein, the Administrative Agent may (and upon the written request of the Required Lenders the Administrative Agent shall) take or refrain from taking any action under this Agreement or any other Credit Document, including giving its written consent to any modification of or amendment to and waiving in writing compliance with any covenant or condition in this Agreement or any other Credit Document (other than an Interest Rate Protection Agreement) or any Default or Event of Default, all of which actions shall be binding upon all of the Lenders; provided, however, that:

(a) Except as provided below, without the written consent of the Lenders owning at least a majority of the Aggregate Percentage Interests (disregarding the Percentage Interest of any Delinquent Lender during the existence of a Delinquency Period or of any Nonperforming Lender so long as such Lender is treated equally with the other Lenders with respect to any actions enumerated below), no written modification of, amendment to, consent with respect to, waiver of compliance with or waiver of a Default under, any of the Credit Documents (other than an Interest Rate Protection Agreement) shall be made.

(b) Without the written consent of such Lenders as own 100% of the Percentage Interests (disregarding the Percentage Interest of any Delinquent Lender during the existence of a Delinquency Period or of any Nonperforming Lender so long as such Lender is treated equally with the other Lenders with respect to any actions enumerated below):

(i) No release of all or substantially all of the Credit Security or release of the Borrower or any material Guarantor shall be made (in any event, without the written consent of the Lenders, the Administrative Agent may release particular items of Credit Security or particular Guarantors whose equity has been sold in dispositions permitted by Section 7.11, as modified by amendments

thereto approved by the Required Lenders, and may release all Credit Security pursuant to Section 18.1 upon payment in full of the Credit Obligations and termination of the Commitments).

(ii) No alteration shall be made of the Lenders' rights of set-off contained in Section 9.2.4.

(iii) No amendment to or modification of this Section 17.1 or the definition of "Required Lenders" shall be made.

(c) Without the written consent of each Lender that is directly affected thereby and of such Lenders as own at least a majority of the Percentage Interests (disregarding the Percentage Interest of any Delinquent Lender during the existence of a Delinquency Period of or any Nonperforming Lender so long as such Lender is treated equally with the other Lenders with respect to any actions enumerated below):

(i) No reduction shall be made in (A) the amount of principal of the Loan owing to such Lender or (B) the interest rate on or fees with respect to the portion of the Loan owing to such Lender (other than amendments and waivers approved by the Required Lenders that modify defined terms used in calculating the Applicable Margin or Consolidated Excess Cash Flow or that waive an increase in the Applicable Rate as a result of an Event of Default).

(ii) No change shall be made in the stated, scheduled time of payment of any portion of the Loan owing to such Lender under Sections 4.1 or 4.2 or interest thereon or fees relating to any of the foregoing payable to such Lender, and no waiver shall be made of any Default under Section 9.1.1 with respect to such Lender (other than amendments and waivers approved by the Required Lenders that modify defined terms used in calculating the Applicable Margin or Consolidated Excess Cash Flow).

(iii) No increase shall be made in the amount, or extension of the term, of the stated Commitments of such Lender beyond that provided for under Section 2.

(d) Without the written consent of such Lenders owning at least a majority of the Percentage Interests in a particular Tranche (disregarding the Percentage Interest of any Delinquent Lender during the existence of a Delinquency Period or of any Nonperforming Lender so long as such Lender is treated equally with the other Lenders with respect to any actions enumerated below) voting as a separate class, no change may be made in the time of payment of any portion of such Tranche under Sections 4.3, 4.4 or 4.5 or in the allocation of mandatory prepayments under Sections 4.3, 4.4 or 4.5 between the respective Tranches.

(e) Without the written consent of the Administrative Agent or any other relevant Agent, as the case may be, no amendment or modification of any Credit Document shall affect the rights or duties of the Administrative Agent or such other Agent, as the case may be, under the Credit Documents.

It is understood that, with respect to any voting required by this Section 17.1, each Lender and its Related Funds, if any, shall vote as a single unit.

17.2. Course of Dealing; No Implied Waivers. No course of dealing between any Lender, on the one hand, and any Restricted Company or its Affiliates, on the other hand, shall operate as a waiver of any of the Lenders' rights under this Agreement or any other Credit Document or with respect to the Credit Obligations. In particular, no delay or omission on the part of any Lender or any Agent in exercising any right under this Agreement or any other Credit Document or with respect to the Credit Obligations shall operate as a waiver of such right or any other right hereunder or thereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver, consent or amendment with respect to this Agreement or any other Credit Document shall be binding unless it is in writing and signed by the Administrative Agent or the Required Lenders, as appropriate.

18. General Provisions.

18.1. Defeasance. When all Credit Obligations have been paid, performed and reasonably determined by the Agent to have been indefeasibly discharged in full, and if at the time no Lender continues to be committed to extend any credit to the Company hereunder or under any other Credit Document, this Agreement and the other Credit Documents shall terminate and, at the Company's written request, accompanied by such certificates and other items as the Agent shall reasonably deem necessary, any Credit Security shall revert to the Obligors and the right, title and interest of the Administrative Agent and the Lenders therein shall terminate. Thereupon, on the Obligors' demand and at their cost and expense, the Agent shall execute proper instruments, acknowledging satisfaction of and discharging this Agreement and the other Credit Documents, and shall redeliver to the Obligors any Credit Security then in its possession; provided, however, that Sections 3.2.4, 3.5, 10, 11.7.7, 11.10, 12 and 18 shall survive the termination of this Agreement.

18.2. No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and the other Credit Documents with counsel sophisticated in financing transactions. In the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Credit Documents shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement and the other Credit Documents.

18.3. Certain Obligor Acknowledgments. Each of the Restricted Companies and the other Obligors acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) neither the Agents nor any Lender has any fiduciary relationship with or duty to the Obligors arising out of or in connection with this Agreement or any other Credit Document, and the relationship between the Agents and Lenders, on one hand, and the Restricted Companies and the Obligors, on the other hand, in connection herewith or therewith is solely that of debtor and creditor, and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby or thereby among the Obligors, the Restricted Companies and the Lenders.

18.4. Venue; Service of Process; Certain Waivers. Each of the Restricted Companies, the other Obligors, the Agents and the Lenders:

(a) Irrevocably submits to the nonexclusive jurisdiction of the state courts of the State of New York and to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement or any other Credit Document or the subject matter hereof or thereof;

(b) Waives to the extent not prohibited by applicable law that cannot be waived, and agrees not to assert, by way of motion, as a defense or otherwise, in any such proceeding brought in any of the above-named courts, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that such proceeding is brought in an inconvenient forum, that the venue of such proceeding is improper, or that this Agreement or any other Credit Document, or the subject matter hereof or thereof, may not be enforced in or by such court;

(c) Agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Restricted Company at its address referred to in Section 15; and

(d) Waives to the extent not prohibited by applicable law that cannot be waived any right it may have to claim or recover in any such proceeding any special, exemplary, punitive or consequential damages.

18.5. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH OF THE RESTRICTED COMPANIES, THE OTHER OBLIGORS, THE AGENTS AND THE LENDERS WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE SUBJECT MATTER HEREOF OR THEREOF OR ANY CREDIT OBLIGATION OR IN ANY WAY CONNECTED WITH THE DEALINGS OF THE LENDERS, THE AGENTS, THE RESTRICTED COMPANIES OR ANY OTHER OBLIGOR IN CONNECTION WITH ANY OF TO ABOVE, IN EACH CASE WITHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. Each of the Restricted Companies and the other Obligors acknowledges that it has been informed by the Administrative Agent that the foregoing sentence constitutes a material inducement upon which each of the Lenders has relied and will rely in entering into this Agreement and any other Credit Document. Any Lender, the Agents, the Borrower or any other Obligor may file an original counterpart or a copy of this Agreement with any court as written evidence of the consent of the Restricted Companies, the other Obligors, the Agents and the Lenders to the waiver of their rights to trial by jury.

18.6. Interpretation; Governing Law; etc. Time is (and shall be) of the essence in this Agreement and the other Credit Documents. All covenants, agreements, representations and warranties made in this Agreement or any other Credit Document or in certificates delivered pursuant hereto or thereto shall be deemed to have been relied on by each Lender, notwithstanding any investigation made by any Lender on its behalf, and shall survive the execution and delivery to the Lenders hereof and thereof. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof, and any invalid or unenforceable provision shall be modified so as to be enforced to the maximum extent of its validity or enforceability. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement and the other Credit Documents constitute the entire understanding of the parties

with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous understandings and agreements, whether written or oral. This Agreement may be executed in any number of counterparts which together shall constitute one instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

18.7. Pledge and Subordination Agreement. Each Holding Company party hereto acknowledges and agrees that the Pledge and Subordination Agreement continues in full force and effect and each such Holding Company reaffirms its obligations thereunder. The Lenders acknowledge that, as a result of certain changes in the capital structure affecting Charter Communications VII and the Restricted Companies, those Persons party to the Pledge and Subordination as of the First Restatement Effective Date that are not a party to this Agreement as of the Second Restatement Effective Date have, in each case, ceased to be a party to the Pledge and Subordination Agreement.

[The rest of this page is intentionally blank.]

Each of the undersigned has caused this Agreement to be executed and delivered by its duly authorized officer as an agreement under seal as of the date first above written.

FALCON CABLE COMMUNICATIONS, LLC

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

CHARTER COMMUNICATIONS VII, LLC

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

FALCON CABLE MEDIA, A
CALIFORNIA LIMITED PARTNERSHIP

FALCON COMMUNITY CABLE, L.P.

FALCON TELECABLE, A
CALIFORNIA LIMITED PARTNERSHIP

FALCON CABLEVISION, A
CALIFORNIA LIMITED PARTNERSHIP

FALCON CABLE SYSTEMS COMPANY II, L.P.

FALCON VIDEO COMMUNICATIONS, L.P.

By: Charter Communications VII, LLC, as
general partner

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

FALCON COMMUNITY VENTURES I LIMITED PARTNERSHIP

By: Falcon Community Cable, L.P., as general partner

By: Falcon Cable Communications, LLC, as general partner

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

PACIFIC MICROWAVE JOINT VENTURE

By: Falcon Community Ventures I Limited Partnership, as a general partner

By: Falcon Cable Communications, LLC, as general partner

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

By: Falcon Cable Systems Company II, L.P., as a general partner

By: Charter Communications VII, LLC, as general partner

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

ATHENS CABLEVISION INC.
AUSABLE CABLE TV, INC.
DALTON CABLEVISION INC.
FALCON FIRST, INC.
FALCON FIRST CABLE OF NEW YORK, INC.
FALCON FIRST CABLE OF THE SOUTHEAST, INC.
PLATTSBURGH CABLEVISION INC.
CC VII LEASE, INC.
SCOTTSBORO TV CABLE, INC.
CC VII PURCHASING, LLC
CC VII LEASING, LLC

By /s/ Eloise E. Schmitz

Name: Eloise E. Schmitz
Title: Vice President

TORONTO DOMINION (TEXAS), INC., as Administrative Agent

By

Title:

J.P. MORGAN SECURITIES INC., as Syndication Agent

By

Title:

BORROWER, RESTRICTED COMPANIES AND GUARANTORS

Borrower

Falcon Cable Communications, LLC, a Delaware limited liability company

Restricted Companies

Falcon Cable Communications, LLC, a Delaware limited liability company
Falcon Media Investors Group, a California Limited Partnership
Falcon Community Investors, L.P., a California Limited Partnership
Falcon Telecable Investors Group, a California Limited Partnership
Falcon Investors Group, Ltd., a California Limited Partnership
Falcon Cable Media, a California Limited Partnership
Falcon Cable Systems Company II, L.P.
Falcon Cablevision, a California Limited Partnership
Falcon Community Cable, L.P., a Delaware limited partnership
Falcon Community Ventures I Limited Partnership, a California limited partnership
Falcon First, Inc., a Delaware corporation
Falcon Telecable, a California limited partnership
Falcon Telecom, L.P., a California Limited Partnership
Athens Cablevision, Inc.
Ausable Cable TV, Inc.
Dalton Cablevision, Inc.
Falcon First Cable of New York, Inc.
Falcon First Cable of the Southeast, Inc.
Falcon First Holdings, Inc.
FF Cable Holdings, Inc.
Plattsburg Cablevision, Inc.
Falcon Video Communications, L.P., a California limited partnership
Falcon Video Communications Investors, L.P.
Falcon Equipment Company, LLC
Pacific Microwave Joint Venture, a California general partnership

Guarantors

Falcon Cable Media, a California Limited Partnership
Falcon Cable Systems Company II, L.P.
Falcon Cablevision, a California Limited Partnership
Falcon Community Cable, L.P., a Delaware limited partnership
Falcon Community Ventures I Limited Partnership, a California limited partnership
Falcon First, Inc., a Delaware corporation
Falcon Telecable, a California limited partnership
Falcon Telecom, L.P., a California Limited Partnership
Falcon Media Investors Group, a California Limited Partnership
Falcon Community Investors, L.P., a California Limited Partnership
Falcon Telecable Investors Group, a California Limited Partnership
Falcon Investors Group, Ltd., a California Limited Partnership
Athens Cablevision, Inc.
Ausable Cable TV, Inc.

Dalton Cablevision, Inc.
Falcon First Cable of New York, Inc.
Falcon First Cable of the Southeast, Inc.
Falcon First Holdings, Inc.
FF Cable Holdings, Inc.
Plattsburg Cablevision, Inc.
Falcon Video Communications, L.P., a California limited partnership
Falcon Video Communications Investors, L.P.
Falcon Equipment Company, LLC
Pacific Microwave Joint Venture, a California general partnership

Example of Pro Rata Revolver Prepayment upon Operating Asset Sale
(Assumes no Supplemental Loan)

1. Assume on January 5, 2003 a sale of Operating Assets resulting in $75,000,000 of Net Cash Proceeds in an Operating Asset Sale. Section 4.4.

   $40 million allocated to Asset Reinvestment Reserve Amount. Section 4.3.

   $35 million left for application to the Loan. Section 4.4.1

2. Allocate the $35 million pro rata in proportion to Maximum Amount of Revolving Credit and the Term Loan (Section 4.4.5):

As of January 5, 2003,	
Maximum Amount of Revolving Credit	$ 552,500,000
Term Loan Outstanding	$ 480,000,000
	$1,032,500,000

Percentage allocation to Revolving Loan	=	$552,500,000/$1,032,500,000 = 54%
Percentage allocation to Term Loan	=	$480,000,000/$1,032,500,000 = 46%

Allocate Net Cash Proceeds according to weighted percentages:
$35 million x 54% = $18.7 million allocated to Revolving Loan
$35 million x 46% = $16.2 million allocated to Term Loan

3. Allocate the $18.7 million prepayment of the Revolving Loan according to Pro Rata Revolver Prepayment Portion (see attached chart):

   (a) Calculate sum of percentage reductions from sale date (January 5, 2003) through the Final Revolving Maturity Date (December 31, 2006) = 77.5% (see Column 2)

   (b) Divide previous percentage reductions by 77.5% to derive new weighted percentage for remaining Payment Dates (see Column 3)

   (c) For each Payment Date, multiply new weighted percentage by $18.7 million (see Column 4).

   (d) Add figure to previous aggregate reduction in the Stated Amount (see Column 5).

   (e) For each Payment Date, subtract amount in Column 4 from previous Stated Amount of Maximum Revolving Credit (see Columns 1 and 6).

Date	Column 1 Previous Stated Amount	Column 2 Previous Reduction Percentages	Column 3 New Weighted Percentages	Column 4 New Reduction to Stated Amount	Column 5 Aggregate Reduction to Stated Amount	Column 6 New Stated Amount
March 31, 2003 through June 29, 2003	$536,250,000	2.500%	3.23%	$ 604,010	$ 604,010	$535,645,990
June 30, 2003 through September 29, 2003	$520,000,000	2.500%	3.23%	$ 604,010	$ 1,208,020	$519,395,990
September 30, 2003 through December 30, 2003	$503,750,000	2.500%	3.23%	$ 604,010	$ 1,812,030	$503,145,990
December 31, 2003 through March 30, 2004	$487,500,000	2.500%	3.23%	$ 604,010	$ 2,416,040	$486,895,990
March 31, 2004 through June 29, 2004	$455,000,000	5.000%	6.45%	$ 1,206,150	$ 3,622,190	$453,793,850
June 30, 2004 through September 29, 2004	$422,500,000	5.000%	6.45%	$ 1,206,150	$ 4,828,340	$421,293,850
September 30, 2004 through December 30, 2004	$390,000,000	5.000%	6.45%	$ 1,206,150	$ 6,034,490	$388,793,850
December 31, 2004 through March 30, 2005	$357,500,000	5.000%	6.45%	$ 1,206,150	$ 7,240,640	$356,293,850
March 31, 2005 through June 29, 2005	$316,875,000	6.250%	8.06%	$ 1,507,220	$ 8,747,860	$315,367,780
June 30, 2005 through September 29, 2005	$276,250,000	6.250%	8.06%	$ 1,507,220	$10,255,080	$274,742,780
September 30, 2005 through December 30, 2005	$235,625,000	6.250%	8.06%	$ 1,507,220	$11,762,300	$234,117,780
December 31, 2005 through March 30, 2006	$195,000,000	6.250%	8.06%	$ 1,507,220	$13,269,520	$193,492,780
March 31, 2006 through June 29, 2006	$146,250,000	7.500%	9.68%	$ 1,810,160	$15,079,680	$144,439,840
June 30, 2006 through September 29, 2006	$ 97,500,000	7.500%	9.68%	$ 1,810,160	$16,889,840	$ 95,689,840
September 30, 2006 up to the Final Revolving Maturity Date	$ 48,750,000	7.500%	9.68%	$ 1,810,160	$18,700,000	$ 46,939,840
Final Revolving Maturity Date*	$ 0	0.000%	0.000%	$ 0	$18,700,000	$ 0
		77.5%	100.00%	$18,700,000		

• Pro Rata Term Loan Prepayment Portions are not calculated with reference to payments on the Final Term Loan Maturity Date.

Exhibit 2.1.3

FORM OF REVOLVING NOTE

_____, 2001

FOR VALUE RECEIVED, the undersigned, Falcon Cable Communications, LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay (the "Lender") or order, on the Final Revolving Maturity Date (as defined in the Credit Agreement referred to below), the aggregate unpaid principal amount of the Revolving Loans made by the Lender to the Borrower pursuant to the Credit Agreement. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of such Revolving Loans from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest and fees at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Toronto Dominion (Texas), Inc., as administrative agent for the payee hereof, 909 Fannin Street, 17th Floor, Houston, Texas 77010.

All Revolving Loans made by the Lender pursuant to the Credit Agreement referred to below and all repayments of the principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Revolving Loans then outstanding shall be endorsed by the Lender on the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower under this Note, such Credit Agreement or under any other Credit Document.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, as further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"), among the Borrower, the Guarantors party thereto, the payee hereof and certain other lenders. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

The obligations under this Note and the other Credit Obligations, and the remedies of the holder hereof and the other Lenders pursuant to the Credit Agreement, are non-recourse against certain partners, shareholders and members of the Borrower as provided in the Credit Documents.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

FALCON CABLE COMMUNICATIONS, LLC

By _____

Title:

LOAN AND PAYMENTS PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made by

Exhibit 2.2.2

FORM OF TERM LOAN B NOTE

_____, 2001

FOR VALUE RECEIVED, the undersigned, Falcon Cable Communications, LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay (the "Lender") or order, on the Final Term Loan B Maturity Date (as defined in the Credit Agreement referred to below), the aggregate unpaid principal amount of Term Loan B made by the Lender to the Borrower pursuant to the Credit Agreement. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of Term Loan B from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest and fees at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Toronto Dominion (Texas) Inc., as administrative agent for the payee hereof, 909 Fannin Street, 17th Floor, Houston, Texas 77010.

All Term Loans made by the Lender pursuant to the Credit Agreement referred to below and all repayments of the principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to Term Loan B then outstanding shall be endorsed by the Lender on the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower under this Note, such Credit Agreement or under any other Credit Document.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, as further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"), among the Borrower, the Guarantors party thereto, the payee hereof and certain other lenders. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

The obligations under this Note and the other Credit Obligations, and the remedies of the holder hereof and the other Lenders pursuant to the Credit Agreement, are non-recourse against certain partners, shareholders and members of the Borrower as provided in the Credit Documents.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise

provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

FALCON CABLE COMMUNICATIONS, LLC

By _____

Title:

LOAN AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made by

Exhibit 2.3.2

FORM OF TERM LOAN C NOTE

_____, 2001

FOR VALUE RECEIVED, the undersigned, Falcon Cable Communications, LLC, a Delaware limited liability company (the "Borrower"), hereby promises to pay (the "Lender") or order, on the Final Term Loan C Maturity Date (as defined in the Credit Agreement referred to below), the aggregate unpaid principal amount of Term Loan C made by the Lender to the Borrower pursuant to the Credit Agreement. The Borrower promises to pay daily interest from the date hereof, computed as provided in such Credit Agreement, on the aggregate principal amount of Term Loan C from time to time unpaid at the per annum rate applicable to such unpaid principal amount as provided in such Credit Agreement and to pay interest on overdue principal and, to the extent not prohibited by applicable law, on overdue installments of interest and fees at the rate specified in such Credit Agreement, all such interest being payable at the times specified in such Credit Agreement, except that all accrued interest shall be paid at the stated or accelerated maturity hereof or upon the prepayment in full hereof.

Payments hereunder shall be made to Toronto Dominion (Texas) Inc., as administrative agent for the payee hereof, 909 Fannin Street, 17th Floor, Houston, Texas 77010.

All Term Loans made by the Lender pursuant to the Credit Agreement referred to below and all repayments of the principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to Term Loan C then outstanding shall be endorsed by the Lender on the schedule attached hereto or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower under this Note, such Credit Agreement or under any other Credit Document.

This Note evidences borrowings under, and is entitled to the benefits and security of, and is subject to the provisions of, the Credit Agreement dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, as further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"), among the Borrower, the Guarantors party thereto, Falcon Cable Communications, LLC, the payee hereof and certain other lenders. The principal of this Note is prepayable in the amounts and under the circumstances set forth in the Credit Agreement, and may be prepaid in whole or from time to time in part, all as set forth in the Credit Agreement. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In case an Event of Default shall occur, the entire principal of this Note may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

The obligations under this Note and the other Credit Obligations, and the remedies of the holder hereof and the other Lenders pursuant to the Credit Agreement, are non-recourse against certain partners, shareholders and members of the Borrower as provided in the Credit Documents.

The parties hereto, including the Borrower and all guarantors and endorsers, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically otherwise provided in the Credit Agreement, and assent to extensions of time of payment, or forbearance or other indulgence without notice.

FALCON CABLE COMMUNICATIONS, LLC

By _____

Title:

LOAN AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made by

Exhibit 5.2.1

OFFICER'S CERTIFICATE

In connection with the Credit Agreement, dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, as further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"), among Falcon Cable Communications, LLC, the Guarantors party thereto, the Lenders party thereto, BankBoston, N.A., as documentation agent, Toronto Dominion (Texas), Inc., as administrative agent, Bank of America National Trust and Savings Association, as syndication agent, and The Chase Manhattan Bank, as co-syndication agent, the Borrower certifies as follows:

1. Representations and Warranties

The representations and warranties contained in Sections 6.6 and 8 of the Credit Agreement and in Sections 2.2 and 4 of the Pledge and Subordination Agreement are true and correct on and as of the date hereof (except for those representations and warranties made as of a specified earlier date, which shall have been true and correct as of such date).

2. No Default

No Default exists or is continuing on the date hereof or will exist immediately after giving effect to the extension of credit requested on the date hereof pursuant to the Credit Agreement.

3. No Material Adverse Change

As of the date hereof, no Material Adverse Change has occurred.

Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

FALCON CABLE COMMUNICATIONS, LLC

By _____

Name:
Title:

Exhibit 7.14

AFFILIATE CONTRACTUAL OBLIGATIONS

1. Marc Nathanson — Leases with Charter Communications Holding Company, LLC ("Charter HoldCo") and Affiliates

   Charter HoldCo, as assignee, leases certain office space (located in Pasadena, California) from a partnership owned by Marc Nathanson and his wife. The lease expires September 30, 2005. The base rent is currently approximately $396,000 per year. This lease has been assigned to and assumed by a Restricted Company, and such Restricted Company may continue to perform all obligations of Charter HoldCo thereunder.

2. Marc Nathanson — Office and Bookkeeping Services

   The Borrower has historically provided certain accounting, bookkeeper, clerical, and support services, including office space and other office services, to Marc Nathanson. the Borrower may continue to provide such services consistent with past practices, subject to the obligation of Marc Nathanson and his affiliates to reimburse the Borrower for an appropriate portion of the costs relating to these services, also determined consistent with the Borrower's past practices.

3. Enstar

   Certain of the Restricted Companies share office space, personnel and other resources with Enstar and its subsidiaries and provide certain programming services to Enstar and its subsidiaries.

Exhibit 8.1

RESTRICTED COMPANIES

Name	Jurisdiction of Organization	Chief Executive Office and Chief Place of Business	Other Names	Business Jurisdictions	Partners and Percentage Ownership
Falcon Cablevision, a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Alabama California Georgia Missouri Oregon Virginia	Falcon Investors Group, Ltd., a California limited partnership - 25.8% Falcon Cable Communications, LLC (the "Borrower") - 74.2%
Falcon Cable Systems Company II, L.P.	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	California Missouri Oregon	Falcon Investors Group, Ltd., a California limited partnership - 0.2% Borrower - 99.8%
Falcon Telecable, a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Arkansas Arizona California Illinois Louisiana Kentucky Michigan Missouri Nevada Oregon Texas Utah Washington	Falcon Telecable Investors Group, a California limited partnership - 8.1% Borrower - 91.9%
Falcon Cable Media, a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Arkansas Florida Georgia Maryland	Falcon Media Investors Group, a California limited partnership -14.6%

Name	Jurisdiction of Organization	Chief Executive Office and Chief Place of Business	Other Names	Business Jurisdictions	Partners and Percentage Ownership
				Missouri North Carolina Oklahoma Virginia	Borrower - 85.4%
Falcon Community Cable, L.P.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Kentucky Missouri Oregon	Falcon Community Investors, L.P. - 0.8% Borrower - 99.2%
Falcon Community Ventures I Limited Partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Missouri Oregon Washington Georgia	Falcon Community Cable, L.P. - 99.2% Falcon Community Investors, L.P. - 0.8%
Falcon Telecom, L.P.	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Missouri	Borrower - 99% Falcon Telecable Investors Group, a California limited partnership - 1%
Falcon Investors Group, Ltd., a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Missouri	Charter Communications Holding Company, LLC (“Minority Interest HoldCo”) - 1%
Falcon Telecable Investors Group, a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Missouri	Minority Interest HoldCo - 1% Borrower - 99%
Falcon Media Investors Group, a California limited partnership	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Arkansas Florida Georgia Maryland Missouri North Carolina	Minority Interest HoldCo - 1% Borrower - 99%

Name	Jurisdiction of Organization	Chief Executive Office and Chief Place of Business	Other Names	Business Jurisdictions Oklahoma Virginia	Partners and Percentage Ownership
Falcon Community Investors, L.P.	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131	Falcon Cable TV	Georgia Kentucky Missouri Oregon Washington	Minority Interest HoldCo - 1% Borrower - 99%
Falcon First, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Alabama New York Georgia Mississippi Missouri	Borrower - 100%
Athens Cablevision, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Alabama Missouri	FF Cable Holdings, Inc. - 100%
Ausable Cable TV, Inc.	New York	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri New York	Plattsburg Cablevision, Inc. - 100%
Dalton Cablevision, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Georgia Missouri	FF Cable Holdings, Inc. - 100%
Falcon First Cable of New York, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Falcon First, Inc. - 100%
Falcon First Cable of the Southeast, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Falcon First, Inc. - 100%
Falcon First Holdings, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Falcon First Cable of the Southeast, Inc. - 100%

Name	Jurisdiction of Organization	Chief Executive Office and Chief Place of Business	Other Names	Business Jurisdictions	Partners and Percentage Ownership
FF Cable Holdings, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Falcon First Holdings, Inc. - 100%
Plattsburg Cablevision, Inc.	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri New York	Falcon First Cable of New York, Inc. - 100%
Falcon Video Communications, L.P.	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Idaho Missouri North Carolina Oregon South Carolina Texas Washington	Falcon Vide Communications Investors, L.P. - 0.5% Borrower 99.5%
Falcon Video Communications Investors, L.P.	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Minority Interest HoldCo - 1.0% Borrower - 99%
Falcon Equipment Company, LLC	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Falcon Investors Group, Ltd. - 1% Borrower - 99%
Pacific Microwave Joint Venture	California	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	[ ]
Falcon Cable Communications, LLC	Delaware	12444 Powerscourt Drive Suite 400 St. Louis, MO 63131		Missouri	Charter Communications VII, LLC - 100%

Exhibit 7.6.10

FINANCING DEBT, CERTAIN INVESTMENTS, ETC.

A. Financing Debt

1. Existing Financing Debt

a. 1996 Amended and Restated Credit Agreement	$328,500,000
b. The Mutual Life Insurance Company of New York Note Purchase and Exchange Agreement dated October 21, 1991 11.56% Series B Subordinated Notes	$ 15,000,000
c. Note payable for Directors and Officers Liability Insurance	$ 630,086

2. Post-Closing Financing Debt

a. Credit Agreement	$425,794,117.74
b. Note payable for Directors and Officers Liability Insurance	$ 630,086

B. Liens and Guarantees

1. Liens and guarantees pursuant to the Credit Documents

C. Investment Agreements

1. Agreement of Limited Partnership of Falcon Lake Las Vegas Cablevision, L.P., dated September 7, 1993

Exhibit 12.1.1

ASSIGNMENT AND ACCEPTANCE

This Agreement, dated as of , , is between , a Lender under the Credit Agreement referred to below (the "Assignor"), and (the "Assignee").

For valuable consideration, the receipt of which is hereby acknowledged, the Assignor agrees with the Assignee as follows:

1. Reference to Credit Agreement and Definitions. Reference is made to the Credit Agreement dated as of June 30, 1998, as amended and restated as of November 12, 1999, as further amended and restated as of September 26, 2001, as further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"), among Falcon Cable Communications, LLC (the "Borrower"), the Guarantors party thereto, the Lenders party thereto, and Toronto Dominion (Texas), Inc., as administrative agent for itself and the other Lenders. Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

2. Assignment and Assumption. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, the interest set forth on Schedule A hereto in and to all the Assignor's rights and obligations under the Credit Agreement and the other Credit Documents (other than Interest Rate Protection Agreements and Lender Letters of Credit) as of the Assignment Date (as defined below), together with all unpaid interest with respect to the portion of the Loan assigned hereby and commitment fees relating thereto accrued to the Assignment Date.

3. Representations, Warranties, etc.

3.1 Assignor's Representations and Warranties. The Assignor:

(a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the other Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or the other Credit Documents or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim;

(b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the Guarantors or the performance of any of their respective obligations under the Credit Agreement, any of the Credit Documents or any other instrument or document furnished pursuant hereto or thereto; and

(c) represents and warrants that after giving effect to the assignment hereunder on the Assignment Date, the Assignor has the interests in the Credit Obligations and under the Credit Agreement as set forth on Schedule B hereto.

3.2 Assignee's Representations, Warranties and Agreements. The Assignee:

(a) represents and warrants that it is legally authorized to enter into this Agreement;

(b) confirms that it has received a copy of the Credit Agreement and certain other Credit Documents it has requested, together with copies of the most recent financial statements delivered pursuant to Section 7.4 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement;

(c) agrees that it will, independently and without reliance upon the Assignor or any other Person which has become a Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement and the other Credit Documents;

(d) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with their terms all the obligations which by the terms of the Credit Agreement and the other Credit Documents are required to be performed by it as a Lender; and

(e) represents and warrants that after giving effect to the assignment hereunder on the Assignment Date, the Assignee has the interests in the Credit Obligations and under the Credit Agreement as set forth on Schedule C hereto.

3.3 US Withholding Tax. The Assignee represents and warrants that (a) it is incorporated or organized under the laws of the United States of America or a state thereof or (b) it will perform all of its obligations relating to United States income tax withholding under Section 14 of the Credit Agreement.

4. Assignment Date. The effective date of this Agreement shall be , (the "Assignment Date").

5. Assignee Party to Credit Agreement; Assignor Release of Obligations. From and after the Assignment Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Agreement, have the rights and obligations of a Lender thereunder and under the Credit Documents, including without limitation, as set forth on Schedule A hereto, and (b) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Credit Agreement and the other Credit Documents.

6. Notices. All notices and other communications required to be given or made to the Assignee under this Agreement, the Credit Agreement or any other Credit Documents shall be given or made at the address of the Assignee set forth on the signature page hereof or at such other address as the Assignee shall have specified to the Assignor, the Administrative Agent and the Restricted Companies in writing.

7. Further Assurances. The parties hereto agree to execute and deliver such other instruments and documents and to take such other actions as any party hereto may reasonably request in connection with the transactions contemplated by this Agreement.

8. General. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all current and prior agreements and understandings, whether written or oral. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term or provision hereof. This Agreement may be executed in any number of

counterparts, which together shall constitute one instrument, and shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, including as such successors and assigns all

9. holders of any Credit Obligation. This Agreement shall be governed by and construed in accordance with the laws (other than the conflict of laws rules) of the jurisdiction in which the principal office of the Assignor is located.

Each of the Assignor and the Assignee has caused this Agreement to be executed and delivered by its duly authorized officer under seal as of the date first written above.

[ASSIGNOR]

By _____
Title:

[ASSIGNEE]

By _____
Title:
[Address]
Telecopy:

The foregoing is hereby approved:

FALCOLE COMMUNICATIONS, LLC

By _____

Title:

TORONTO DOMINION (TEXAS), INC., as Administrative Agent
By _____

Title:

Schedule A

Portion Assigned Hereunder

Assignee's Percentage Interest and outstanding principal balance in the Revolving Loan and Term Loan under the Credit Agreement on and after the Assignment Date pursuant to the assignment being made hereunder on the Assignment Date:

Revolving Loan

Percentage Interest %
Outstanding principal balance $

Term Loan B

Percentage Interest %
Outstanding principal balance $

Term Loan C

Percentage Interest %
Outstanding principal balance $

Schedule B

Assignor’s Interest

Assignor’s new Percentage Interest and outstanding principal balance in the Revolving Loan and Term Loan under the Credit Agreement on and after the Assignment Date after giving effect to the other assignments being made on the Assignment Date:

Revolving Loan

Percentage Interest %
Outstanding principal balance $

Term Loan B

Percentage Interest %
Outstanding principal balance $

Term Loan C

Percentage Interest %
Outstanding principal balance $

Schedule C

Assignee’s Interest

Assignee’s new Percentage Interest and outstanding principal balance in the Revolving Loan and Term Loan under the Credit Agreement on and after the Assignment Date after giving effect to the other assignments being made on the Assignment Date:

Revolving Loan

Percentage Interest %
Outstanding principal balance $

Term Loan B

Percentage Interest %
Outstanding principal balance $

Term Loan C

Percentage Interest %
Outstanding principal balance $

Exhibit 10.9
Conformed Copy

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

FOR

CHARTER COMMUNICATIONS HOLDING COMPANY, LLC
A DELAWARE LIMITED LIABILITY COMPANY

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH MEMBERSHIP INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS THEY ARE QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE MEMBERSHIP INTERESTS REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH HEREIN.

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
FOR
CHARTER COMMUNICATIONS HOLDING COMPANY, LLC
A DELAWARE LIMITED LIABILITY COMPANY

This Amended and Restated Limited Liability Company Agreement for Charter Communications Holding Company, LLC, a Delaware limited liability company **("Company")**, is made and entered into effective as of August 31, 2001 **("Effective Date")**, by and among the individuals and entities listed on Schedule A attached hereto, with reference to the following facts:

A. A Certificate of Formation of the Company was filed with the Delaware Secretary of State on May 25, 1999. The Company was formed and has been heretofore operated pursuant to the Limited Liability Company Agreement entered into and made effective as of May 25, 1999 by Charter Investment, Inc. (formerly known as Charter Communications, Inc.), a Delaware corporation **("CII")**, as amended and restated by (i) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of August 10, 1999, by and between CII and Vulcan Cable III Inc., a Delaware corporation **("Vulcan Cable")**, (ii) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of September 14, 1999, by and among CII, Vulcan Cable, and certain other investors, (iii) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of November 8, 1999, by and among CII, Vulcan Cable, Charter Communications, Inc., a Delaware corporation **("PublicCo")**, and certain other investors, (iv) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of November 12, 1999, by and among CII, Vulcan Cable, PublicCo, Falcon Holding Group, L.P., a Delaware limited partnership **("FHGLP")**, and certain other investors, (v) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of February 14, 2000, by and among CII, Vulcan Cable, PublicCo, and certain other investors, as amended by the First Amendment, Second Amendment, and Third Amendment thereto made effective as of September 13, 2000, October 24, 2000, and February 12, 2001, respectively, and (vi) that certain Amended and Restated Limited Liability Company Agreement entered into and made effective as of January 1, 2001, by and among CII, Vulcan Cable, PublicCo, and certain other investors (the **"Existing LLC Agreement"**).

B. On May 25, 1999, CII contributed its entire one hundred percent (100%) limited liability company interest in Charter Communications Holdings, LLC, a Delaware limited liability company, to the Company and became the sole Member of the Company. In August and September 1999, Vulcan Cable contributed to the Company cash and assets valued in the aggregate, at the time of the contributions, at One Billion Three Hundred Twenty-Five Million Dollars ($1,325,000,000) and became a Member of the Company.

C. On September 14, 1999, pursuant to (i) that certain Purchase and Sale Agreement dated as of April 26, 1999 by and among the sellers listed on the signature pages thereto, Rifkin Acquisition Partners, L.L.L.P., and CII, (ii) that certain Purchase and Sale

Agreement dated as of April 26, 1999 by and among the sellers listed on the signature pages thereto, InterLink Communications Partners, LLLP, and CII (the agreements described in clauses (i) and (ii) are collectively referred to herein as the **"Rifkin Purchase Agreement,"** and all signatories to the Rifkin Purchase Agreement other than CII, Rifkin Acquisition Partners, L.L.L.P., and InterLink Communications Partners, LLLP are collectively referred to herein as the **"Rifkin Sellers")**, and (iii) that certain Contribution Agreement dated as of September 14, 1999, by and among Charter Communications Operating, LLC, the Company, and the persons listed on the signature pages thereto (the **"Rifkin Contribution Agreement"**), some of the Rifkin Sellers contributed certain assets to the Company and became Members of the Company. On November 12, 1999, some of these Rifkin Sellers contributed their Membership Interests to PublicCo.

D. On November 12, 1999, PublicCo effected an initial public offering of its stock (the **"IPO"**) and contributed or agreed to contribute to the Company (i) certain assets acquired utilizing certain proceeds of the IPO and (ii) the remaining net proceeds of the IPO, and became a Member of the Company. In connection with the IPO, Vulcan Cable contributed an additional Seven Hundred Fifty Million Dollars ($750,000,000) in cash to the Company.

E. On November 12, 1999, pursuant to that certain Purchase and Contribution Agreement dated as of May 26, 1999, by and among CII, Falcon Communications, L.P., FHGLP, TCI Falcon Holdings, LLC, Falcon Cable Trust, Falcon Holding Group, Inc., and DHN Inc., as amended (the **"Falcon Purchase Agreement"**), FHGLP contributed certain assets to the Company and became a Member of the Company. On the same day, FHGLP distributed all of its Membership Interests in the Company to its partners, and (i) the FHGLP partners (other than Belo Ventures, Inc.) contributed all of their Membership Interests in the Company to PublicCo, and (ii) Belo Ventures, Inc., an FHGLP partner, sold its entire Membership Interest in the Company to Vulcan Cable.

F. On February 14, 2000, pursuant to that certain Purchase and Contribution Agreement dated as of June 29, 1999, by and among BCI (USA), LLC, William J. Bresnan, Blackstone BC Capital Partners, L.P., Blackstone BC Offshore Capital Partners, L.P., Blackstone Family Media Partnership III L.P., TCI Bresnan LLC, TCID of Michigan, Inc., and the Company, as amended (the **"Bresnan Purchase Agreement"**) (all such signatories to the Bresnan Purchase Agreement other than the Company are collectively referred to herein as the **"Bresnan Sellers"**), some of the Bresnan Sellers contributed certain assets to the Company and became Members of the Company.

G. Since February 14, 2000, the Company has issued additional Class B Common Units to PublicCo in exchange for certain asset contributions and in connection with certain employee equity option exercises.

H. On August 31, 2001, in connection with the closing of certain transactions contemplated by that certain Agreement and Plan of Merger and Asset Purchase Agreement dated as of March 14, 2001, by and among PublicCo, Cable USA, Inc., Antilles Wireless, L.L.C., F&S Fiber Systems, L.L.C., American Media Group, L.L.C., Internet USA, L.L.C., Thomsic, L.L.C., USA Paging, L.L.C., and certain other persons listed on the signature

pages thereto, as amended (the **"Cable USA Purchase Agreement"**), the Company has issued Class B Preferred Units to PublicCo in exchange for certain asset contributions.

I. Section 10.11 of the Existing LLC Agreement provides that an amendment to the Existing LLC Agreement to incorporate the changes made by this Agreement shall be effective as an amendment only upon the approval of Members holding more than fifty percent (50%) of the Class B Common Units. Immediately prior to the Effective Date, PublicCo owned all outstanding Class B Common Units and desires to approve the amendment to the Existing LLC Agreement made by this Agreement.

NOW, THEREFORE, the Existing LLC Agreement is hereby being amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

When used in this Agreement, unless the context otherwise requires, the following terms shall have the meanings set forth below (all terms used in this Agreement that are not defined in this Article I shall have the meanings set forth elsewhere in this Agreement):

1.1 "Act" means the Delaware Limited Liability Company Act, 6 Del. C. § 18-01 et seq., as the same may be amended from time to time.

1.2 "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Allocation Period, after giving effect to the following adjustments:

1.2.1 Credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5);

1.2.2 Credit to such Capital Account the amount of the deductions and losses referable to any outstanding recourse liabilities of the Company owed to or guaranteed by such Member (or a related person within the meaning of Regulations Section 1.752-4(b)) to the extent that no other Member bears any economic risk of loss and the amount of the deductions and losses referable to such Member's share (determined in accordance with the Member's Percentage Interest) of outstanding recourse liabilities owed by the Company to non-Members to the extent that no Member bears any economic risk of loss; and

1.2.3 Debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.3 “Affiliate” of any Person shall mean any other Person that, directly or indirectly, controls, is under common control with or is controlled by that Person. For purposes of this definition, “control” (including, with its correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean 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.

1.4 “Agreement” means this Amended and Restated Limited Liability Company Agreement, as originally executed and as amended and/or restated from time to time.

1.5 “Allocated Tax Deductions” has the meaning set forth in Section 6.5.2(c).

1.6 “Allocation Period” means the Company’s fiscal year, which shall be the calendar year, or any portion of such period for which the Company is required to allocate Net Profits, Net Losses, or other items of Company income, gain, loss, or deduction pursuant hereto.

1.7 “Approval of the Class A Common Members” means the affirmative vote, approval or consent of Members holding more than fifty percent (50%) of the Class A Common Units.

1.8 “Approval of the Members” means the affirmative vote, approval or consent of Members holding more than fifty percent (50%) of the Class B Common Units, provided that if at any time a court of competent jurisdiction shall hold that the Class B Common Stock of PublicCo is not entitled to vote, or shall enjoin the holders of the Class B Common Stock of PublicCo from exercising voting rights, (a) to elect solely all but one of the directors of PublicCo (except for any director(s) elected separately by the holders of one or more series of preferred stock of PublicCo), (b) on any other matter subject to a PublicCo shareholder vote, on the basis of (x) ten (10) votes for each share of Class B Common Stock of PublicCo held by the holders of Class B Common Stock, and for each share of Class B Common Stock for which any Units held directly or indirectly by such Persons are exchangeable, divided by (y) the number of shares of Class B Common Stock owned by such Persons, or (c) as a separate class, as to certain specified matters in the PublicCo’s certificate of incorporation, as amended from time to time, that adversely affect the Class B Common Stock relating to issuance of Class B Common Stock and other equity securities other than Class A Common Stock or affecting the voting power of the Class B Common Stock, “Approval of the Members” means the affirmative vote, approval or consent of Members holding more than fifty percent (50%) of the Common Units. The conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock in accordance with Clause (b)(viii) of Article Fourth of PublicCo’s certificate of incorporation as constituted as of the Class B Common Measuring Date shall not constitute an event described in the proviso of the preceding sentence.

1.9 “Attribution Rules” has the meaning set forth in Section 4.7.1 of this Agreement.

1.10 “Baseline Tax Deductions” has the meaning set forth in Section 6.5.2(c).

1.11 “Basis” means the adjusted basis of an asset for federal income tax purposes.

1.12 “Board” has the meaning set forth in Section 5.2.1 of this Agreement.

1.13 “Bresnan Contributed Interest” has the meaning ascribed to the term “Contributed Interest” in Section 2.1(b) of the Bresnan Purchase Agreement.

1.14 “Bresnan Exchange Agreement” means the Exchange Agreement entered into as of the Class C Common Measuring Date by and among PublicCo and Bresnan Holders.

1.15 “Bresnan Holder” means each of the Bresnan Sellers who receives Class C Common Units on the Class C Common Measuring Date pursuant to the Bresnan Purchase Agreement.

1.16 “Bresnan Permitted Transferee” means (i) with respect to BCI (USA), LLC and William J. Bresnan, (x) any affiliate of William J. Bresnan that is, directly or indirectly, at least eighty percent (80%) owned or controlled by William J. Bresnan, or (y) William J. Bresnan, William J. Bresnan’s spouse, or William J. Bresnan’s descendants (including spouses of his descendants), any trust established solely for the benefit of any of the foregoing individuals, any private foundation of which only the foregoing individuals, Myles W. Schumer, Jeffrey DeMond, and/or Priscilla O’Clock serve as trustees, or any partnership or other entity at least eighty percent (80%) owned or controlled directly or indirectly by any of the foregoing Persons, and (ii) with respect to Blackstone BC Capital Partners L.P., Blackstone BC Offshore Capital Partners, L.P., and Blackstone Family Media Partnership III L.P. (collectively, the “Initial Blackstone Members”), as long as the proposed Transfer does not result in more than five (5) Persons owning the Class C Common Units issued to the Initial Blackstone Members under the Bresnan Purchase Agreement, Blackstone Capital Partners III Merchant Banking Fund L.P., Blackstone Offshore Capital Partners III Merchant Banking Fund L.P. and Blackstone Family Investment Partnership III, L.P. (collectively, the “Blackstone Funds”) or any other limited partnership the general partner of which is at least eighty percent (80%) owned or controlled by the Persons that own or control the general partner of each of the Blackstone Funds; provided, however, that “Bresnan Permitted Transferee” shall not include the partners in such partnerships.

1.17 “Bresnan Purchase Agreement” has the meaning set forth in the recitals to this Agreement.

1.18 “Bresnan Put Agreement” means the Put Agreement entered into as of the Class C Common Measuring Date by and among Bresnan Holders and Paul G. Allen.

1.19 “Bresnan Sellers” has the meaning set forth in the recitals to this Agreement.

1.20 “Cable Sports” has the meaning set forth in Section 2.5.

1.21 “Cable Transmission Business” has the meaning set forth in Section 2.5 of this Agreement.

1.22 “Cable USA Purchase Agreement” has the meaning set forth in the recitals to this Agreement.

1.23 “Capital Account” means with respect to any Member the capital account that the Company establishes and maintains for such Member pursuant to Section 3.3 herein.

1.24 “Capital Contribution” means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company with respect to the interest in the Company held by such Person. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Person related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Person until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

1.25 “Certificate” means the Certificate of Formation of the Company originally filed with the Delaware Secretary of State, as amended and/or restated from time to time.

1.26 “CII” has the meaning set forth in the recitals to this Agreement.

1.27 “CII Exchange Agreement” means the Exchange Agreement dated as of the Class B Common Measuring Date by and among PublicCo, CII, Vulcan Cable, and Paul G. Allen, including, to the extent provided thereunder, the Tax Agreement attached as Exhibit A thereto.

1.28 “Class A Common Member” means any Member holding and to the extent it holds Class A Common Units.

1.29 “Class A Common Stock” means any common stock of PublicCo denominated “Class A Common.”

1.30 “Class A Common Units” means any Unit denominated “Class A Common

1.31 “Class A Preferred Contributed Amount” means, with respect to each Class A Preferred Member, the sum of the net values of all of the Class A Preferred Contributed Properties contributed by such Class A Preferred Member on the Class A Preferred Measuring Date, as set forth on Schedule A attached hereto.

1.32 “Class A Preferred Contributed Property” means each property (other than cash) contributed to the Company by Class A Preferred Members, in exchange for Class A Preferred Units.

1.33 “Class A Preferred Measuring Date” means September 14, 1999.

1.34 “Class A Preferred Member” means any Member holding and to the extent it holds Class A Preferred Units.

1.35 “Class A Preferred Return Amount” means with respect to any Class A Preferred Unit the amount determined by applying an eight percent (8%) per annum simple rate to the Class A Preferred Contributed Amount represented by such Class A Preferred Unit set forth on Schedule A attached hereto for the period beginning on the Class A

Preferred Measuring Date and ending on the date (i) on which any such Unit is redeemed by the Company, (ii) on which any such Unit is Transferred to PublicCo or another Person pursuant to the Rifkin Put Agreement or this Agreement, or (iii) on which liquidating distributions are made with respect to such Unit pursuant to Article IX; provided, however, that the Class A Preferred Return Amount shall not accrue for any days for which an interest payment accrues under the Rifkin Put Agreement.

1.36 “Class A Preferred Units” means any Unit denominated “Class A Preferred.”

1.37 “Class B Common Change Date” means January 1, 2004.

1.38 “Class B Common Conversion Units” has the meaning set forth in Section 3.6.6(c).

1.39 “Class B Common Measuring Date” means November 12, 1999.

1.40 “Class B Common Member” means any Member holding and to the extent it holds Class B Common Units.

1.41 “Class B Common Stock” means any common stock of PublicCo denominated “Class B Common.”

1.42 “Class B Common Units” means any Unit denominated “Class B Common.”

1.43 “Class B Preferred Member” means any Member holding and to the extent it holds Class B Preferred Units.

1.44 “Class B Preferred Units” means any Unit denominated “Class B Preferred.”

1.45 “Class C Common Change Date” means January 1, 2005.

1.46 “Class C Common Contributed Property” means each property (other than cash) contributed by the Class C Common Members, in exchange for Class C Common Units.

1.47 “Class C Common Measuring Date” means February 14, 2000.

1.48 “Class C Common Member” means any Member holding and to the extent it holds Class C Common Units.

1.49 “Class C Common Units” means any Unit denominated “Class C Common.”

1.50 “Class D Common Units” means any Unit denominated “Class D Common,” which was initially issued to FHGLP on the Class B Common Measuring Date and was subsequently converted into a Class A Common Unit or a Class B Common Unit.

1.51 “Code” means the Internal Revenue Code of 1986, as amended from time to time, the provisions of succeeding law, and to the extent applicable, the Regulations.

1.52 “Combined Book Profits” and “Combined Book Losses” mean, for any Allocation Period, an amount equal to the Company’s Net Profits or Net Losses for such Allocation Period, with the following adjustment: all items of Company deduction for Depreciation that are specially allocated pursuant to Section 6.3.7 hereof shall be taken into account in computing Combined Book Profits or Combined Book Losses.

1.53 “Common Members” means Members holding and to the extent they hold Common Units.

1.54 “Common Units” means any Unit denominated “Common,” including Class A Common Units, Class B Common Units, Class C Common Units, and any Units so designated that may be hereafter issued by the Company.

1.55 “Company” has the meaning set forth in the preamble to this Agreement.

1.56 “Company Minimum Gain” has the meaning ascribed to the term “Partnership Minimum Gain” in Regulations Section 1.704-2(d).

1.57 “Depreciation” means, for each Allocation Period, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Allocation Period, except that if the Gross Asset Value of an asset differs from its Basis at the beginning of such Allocation Period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Period bears to such beginning Basis; provided, however, that if the Basis of an asset at the beginning of such Allocation Period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

1.58 “Depreciation Allocations” has the meaning set forth in Section 6.5.1 of this Agreement.

1.59 “Effective Date” has the meaning set forth in the preamble to this Agreement.

1.60 “Existing LLC Agreement” has the meaning set forth in the recitals to this Agreement.

1.61 “Falcon Contributed Interest” has the meaning ascribed to the term “Contributed Interest” in Section 2.1(b) of the Falcon Purchase Agreement.

1.62 “Falcon Purchase Agreement” has the meaning set forth in the recitals to this Agreement.

1.63 “FHGLP” has the meaning set forth in the recitals to this Agreement.

1.64 “Gross Asset Value” means, with respect to any asset, the asset’s Basis, except as follows:

1.64.1 Except as otherwise provided in the Rifkin Contribution Agreement, the Falcon Purchase Agreement, or Section 5.7(f) of the Bresnan Purchase Agreement, the

initial Gross Asset Value of any asset contributed by a Member (or a former member) to the Company shall be the gross fair market value of such asset, as determined by the contributing Person and the Manager;

1.64.2 The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

1.64.3 The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Manager; and

1.64.4 The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the Basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and Section 1.76.6 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 1.64.4 to the extent the Manager determines that an adjustment pursuant to Section 1.64.2 hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section 1.64.4.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 1.64.1, Section 1.64.2, or Section 1.64.4 hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses

1.65 “HSA” has the meaning set forth in Section 2.5 of this Agreement.

1.66 “Incidental Business” has the meaning set forth in Section 2.5 of this Agreement.

1.67 “IPO” has the meaning set forth in the recitals to this Agreement.

1.68 “Manager” has the meaning set forth in Section 5.1.1 of this Agreement.

1.69 “Member” means each Person who is listed on Schedule A attached hereto as a Member and any additional or substitute Member admitted to the Company as a member of the Company in accordance with the terms of this Agreement (so long as such Person holds a Membership Interest in the Company).

1.70 “Member Nonrecourse Debt” has the meaning ascribed to the term “Partner Nonrecourse Debt” in Regulations Section 1.704-2(b)(4).

1.71 “Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

1.72 “Member Nonrecourse Deductions” means items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures that are attributable to Member Nonrecourse Debt or to other liabilities of the Company owed to or guaranteed by a Member (or a related person within the meaning of Regulations Section 1.752-4(b)) to the extent that no other Member bears the economic risk of loss.

1.73 “Membership Interest” means a Member’s entire limited liability company interest in the Company including the Member’s right to share in income, gains, losses, deductions, credits, or similar items of, and to receive distributions from, the Company pursuant to this Agreement and the Act.

1.74 “Net Cash From Operations” means the gross cash proceeds from Company operations (including sales and dispositions of Property in the ordinary course of business) less the portion thereof used to pay or establish reasonable reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Manager. “Net Cash From Operations” shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this Section 1.74 and Section 1.75 hereof.

1.75 “Net Cash From Sales or Refinancings” means the net cash proceeds from all sales and other dispositions (other than in the ordinary course of business) and all refinancings of Property, less any portion thereof used to establish reasonable reserves, all as determined by the Manager. “Net Cash From Sales or Refinancings” shall include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other dispositions (other than in the ordinary course of business) of Property.

1.76 “Net Profits” and “Net Losses” mean, for each Allocation Period, an amount equal to the Company’s taxable income or loss for such Allocation Period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

1.76.1 Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition shall be added to such taxable income or loss;

1.76.2 Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition shall be subtracted from such taxable income or loss;

1.76.3 In the event the Gross Asset Value of any Company asset is adjusted as a result of the application of Regulations Section 1.704-1(b)(2)(iv)(e) or Regulations Section 1.704-1(b)(2)(iv)(f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses;

1.76.4 Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the Basis of such Property differs from its Gross Asset Value;

1.76.5 In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation in accordance with Section 1.57 hereof;

1.76.6 To the extent an adjustment to the Basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Basis of the asset) or loss (if the adjustment decreases the Basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

1.76.7 Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 6.3 or 6.5 hereof shall not be taken into account in computing Net Profits or Net Losses (the amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to any provision of this Agreement shall be determined by applying rules analogous to those set forth in Sections 1.76.1 through 1.76.6 above).

The foregoing definition of Net Profits and Net Losses is intended to comply with the provisions of Regulations Section 1.704-1(b) and shall be interpreted consistently therewith. In the event the Manager determines that it is prudent to modify the manner in which Net Profits and Net Losses are computed in order to comply with such Regulations, the Manager may make such modification.

1.77 “Non-Attributable Status” has the meaning set forth in Section 4.7.1 of this Agreement.

1.78 “Non-Operating Profits” and “Non-Operating Losses” mean, for any Allocation Period, the following: (i) all items of gain or loss resulting from any disposition of Property other than in the ordinary course of business (for this purpose, an abandonment of Property shall be treated as occurring in the ordinary course of business); and (ii) all items of gain or loss arising upon the adjustment of the Gross Asset Value of any Company asset as a result of the application of Regulations Section 1.704-1(b)(2)(iv)(e) or Regulations Section 1.704-1(b)(2)(iv)(f), to the extent that if such Company asset had been disposed of on the date of such adjustment for its then fair market value (i.e., its Gross Asset Value immediately following such adjustment), items of gain or loss (determined without taking

into account the effect of such adjustment on the asset's book basis for purposes of Code Section 704(b)) would have been included in the preceding clause (i). If, for any Allocation Period, the aggregate amount of such gains exceeds the aggregate amount of such losses, then such items shall be taken into account as Non-Operating Profits. If, for any Allocation Period, the aggregate amount of such losses exceeds the aggregate amount of such gains, then such items shall be taken into account as Non-Operating Losses. Notwithstanding the foregoing, any items that are specially allocated pursuant to Sections 6.3.1 through 6.3.8, inclusive, Section 6.3.10, or Section 6.5 hereof shall not be taken into account for purposes of determining Non-Operating Profits or Non-Operating Losses.

1.79 "Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1).

1.80 "Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

1.81 "Non-Recognition Transaction" means an exchange to which Code Section 351 applies or a transaction which qualifies as a "reorganization" under Code Section 368(a), as described in Sections 2.1(a) and 2.1(b) of the CII Exchange Agreement.

1.82 "Ownership Rules" has the meaning set forth in Section 4.7.2 of this Agreement.

1.83 "Percentage Interest" means, with respect to each Common Member as of any date, the percentage equal to the number of Common Units then held by such Common Member divided by the total number of Common Units then held by all Common Members.

1.84 "Person" means any individual, general partnership, limited partnership, limited liability company, limited liability partnership, corporation, trust, estate, real estate investment trust, association, or other entity.

1.85 "Property" means all real and personal property acquired by the Company and any improvements thereto, and shall include both tangible and intangible property.

1.86 "PublicCo" has the meaning set forth in the recitals to this Agreement.

1.87 "Regulations" means the regulations currently in force from time to time as final or temporary that have been issued by the U.S. Department of the Treasury pursuant to its authority under the Code. If a word or phrase is defined in this Agreement by cross-referencing the Regulations, then to the extent the context of this Agreement and the Regulations require, the term "Member" shall be substituted in the Regulations for the term "partner", the term "Company" shall be substituted in the Regulations for the term "partnership", and other similar conforming changes shall be deemed to have been made for purposes of applying the Regulations.

1.88 "Regulatory Allocations" has the meaning set forth in Section 6.5.1.

1.89 "Remedial Method" means the "remedial allocation method" described in Regulations Section 1.704-3(d).

1.90 “Rifkin Contributed Interest” has the meaning ascribed to the term “Contributed Interest” in the recitals to the Rifkin Contribution Agreement.

1.91 “Rifkin Contribution Agreement” has the meaning set forth in the recitals to this Agreement.

1.92 “Rifkin Holder” means each Rifkin Seller who elected to receive Class A Preferred Units pursuant to the Rifkin Contribution Agreement.

1.93 “Rifkin Purchase Agreement” has the meaning set forth in the recitals to this Agreement.

1.94 “Rifkin Put Agreement” means the Redemption and Put Agreement dated as of September 14, 1999 by and among the Company, Paul G. Allen, and each Rifkin Holder.

1.95 “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the U.S. Securities and Exchange Commission or any successor agency thereto promulgated thereunder, as in effect from time to time.

1.96 “Special Allocation Amount” means an amount equal to (i) the aggregate amount of the items previously allocated to the Class A Common Members pursuant to Sections 6.3.7(a)(y) and 6.3.7(c)(y), plus (ii) the aggregate amount of Net Losses previously allocated to the Class A Common Members pursuant to Section 6.2.1(b), minus (iii) the aggregate amount of Net Profits previously allocated to the Class A Common Members pursuant to Sections 6.1.1(b) and 6.1.3(b), minus (iv) the aggregate amount of Non-Operating Profits previously allocated to the Class A Common Members pursuant to Section 6.3.9(a)(y) (i.e., the excess of the aggregate amount of the gains included in such Non-Operating Profits over the aggregate amount of the losses included therein).

1.97 “Special Allocation Amount Ratio” means, for any Allocation Period, an amount equal to (i) the Special Allocation Amount as of the beginning of such Allocation Period, divided by (ii) Combined Book Profits for such Allocation Period times the Class B Common Members’ aggregate Percentage Interests; provided, however, that if the Special Allocation Amount Ratio is greater than one (1), then it shall be deemed to be one (1) for purposes of this Agreement.

1.98 “Special Loss Allocations” has the meaning set forth in Section 6.4.1.

1.99 “Special Profit Allocations” has the meaning set forth in Section 6.4.1.

1.100 “Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, joint venture or other business entity of which (i) if a corporation, (x) ten percent (10%) or more of the total voting power of shares of stock entitled to vote in the election of directors thereof or (y) ten percent (10%) or more of the value of the equity interests is at the time owned or controlled, directly or indirectly, by the Person or one or more of its Subsidiaries, or (ii) if a limited liability company, partnership, association or other business entity, ten percent (10%) or more of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by the Person or one or more of its subsidiaries. The Person shall be deemed to have a ten

percent (10%) or greater ownership interest in a limited liability company, partnership, association or other business entity if the Person is allocated ten percent (10%) or more of the limited liability company, partnership, association or other business entity gains or losses or shall be or control the Person managing such limited liability company, partnership, association or other business entity.

1.101 “Target Capital Account” has the meaning set forth in Section 6.5.1.

1.102 “Tax Loan” has the meaning set forth in Section 4.8.1.

1.103 “Tax Loan Amount” has the meaning set forth in Section 4.8.1

1.104 “Tentative Special Allocation Amount” has the meaning set forth in Section 6.3.9(a).

1.105 “Tentative Special Allocation Amount Ratio” means, for any Allocation Period, an amount equal to (i) the Tentative Special Allocation Amount as of the end of such Allocation Period, divided by (ii) the Class B Common Members’ aggregate Percentage Interests times the excess of the aggregate amount of the gains included in Non-Operating Profits for such Allocation Period over the aggregate amount of the losses included therein; provided, however, that if the Tentative Special Allocation Amount Ratio is greater than one (1), then it shall be deemed to be one (1) for purposes of this Agreement.

1.106 “Tentative Taxable Income” and “Tentative Tax Loss” have the meanings set forth in Section 6.3.7(e) of this Agreement.

1.107 “Traditional Method” means the “traditional method” of making Code Section 704(c) allocations described in Regulations Section 1.704-3(b).

1.108 “Transaction Documents” has the meaning set forth in Section 10.1 of this Agreement.

1.109 “Transfer” means any direct or indirect sale, transfer, assignment, hypothecation, encumbrance or other disposition, whether voluntary or involuntary, whether by gift, bequest or otherwise. In the case of a hypothecation, the Transfer shall be deemed to occur both at the time of the initial pledge and at any pledgee’s sale or a sale by any secured creditor.

1.110 “Transferring Member” means, with regard to any transaction, any Member who attempts to Transfer any of its Membership Interest or with regard to whose Membership Interest an option is exercised pursuant to this Agreement.

1.111 “Units” means the units of Membership Interest issued by the Company to its Members, which entitle the Members to certain rights as set forth in this Agreement.

1.112 “VCOC” means “Venture Capital Operating Company” as defined in Section 2501.3-101(d) of the regulations promulgated by the United States Department of Labor under the Employee Retirement Income Security Act of 1974, as amended.

1.113 “VCOC Exception” means the exception for which an entity qualifies under Section 2510.3-101(a)(2)(i) of the regulations promulgated by the United States Department of Labor under the Employee Retirement Income Security Act of 1974, as amended, by reason of being a VCOC so that the underlying assets of that entity do not constitute “plan assets” within the meaning of Section 2510.3-101(a) of such regulations.

1.114 “Vulcan Cable” has the meaning set forth in the recitals to this Agreement.

ARTICLE II

ORGANIZATIONAL MATTERS

2.1 Formation. Pursuant to the Act, the Company has been formed as a Delaware limited liability company under the laws of the State of Delaware. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

2.2 Name. The name of the Company shall be “Charter Communications Holding Company, LLC.” The business and affairs of the Company may be conducted under that name or, upon compliance with applicable laws, any other name that the Manager may deem appropriate or advisable. The Manager shall file any fictitious name certificates and similar filings, and any amendments thereto, that may be appropriate or advisable.

2.3 Term. The term of the Company shall commence on the date of the filing of the Certificate with the Delaware Secretary of State and shall continue until the Company is dissolved in accordance with the provisions of this Agreement.

2.4 Principal Office; Registered Agent. The principal office of the Company shall be as determined by the Manager. The Company shall continuously maintain a registered agent and office in the State of Delaware as required by the Act. The registered agent and office shall be as stated in the Certificate or as otherwise determined by the Manager.

2.5 Purpose of Company. The Company may carry on any lawful business, purpose, or activity that may be carried on by a limited liability company under applicable law; (i) provided, however, that, until all outstanding shares of Class B Common Stock have been converted into shares of Class A Common Stock in accordance with Clause (b)(viii) of Article Fourth of PublicCo’s certificate of incorporation as constituted as of the Class B Common Measuring Date, without the Approval of the Class A Common Members, the Company shall not engage directly or indirectly, including without limitation through any Subsidiary, in any business other than (A) the Cable Transmission Business (as defined below), (B) as a member or shareholder of, and subscriber to, the portal joint venture with Broadband Partners, (C) as an owner and operator of the business of Interactive Broadcaster Services Corporation, a California corporation, which shall include solely the ownership of its assets and continuation of its business substantially as owned and conducted as of September 13, 2000, (D) as a member of and service provider to the joint venture for the development of a licensable reference design for a cable set-top box with functionalities of a

video cassette recorder and a personal video recorder, (E) as a member of Cable Sports Southeast, LLC, a Delaware limited liability company **("Cable Sports")**, so long as Cable Sports continues to conduct substantially the same business conducted by it on October 24, 2000, (F) as a shareholder of High Speed Access Corp., a Delaware corporation **("HSA")**, so long as HSA continues to conduct substantially the same business as conducted by it at the time of the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of October 19, 2000 among Charter Communications Ventures, LLC, HSA and Vulcan Ventures Incorporated, as it may be amended from time to time, and (G) on and after February 12, 2001, as an equity investor in @Security Broadband Corp., a Texas corporation, so long as @Security Broadband Corp. continues to conduct substantially the same business conducted by it on February 1, 2001; (ii) provided further, that to the extent that, as of the Class B Common Measuring Date, the Company was directly or indirectly engaged in or had agreed to acquire directly or indirectly any business other than the Cable Transmission Business or as a member of, and subscriber to, the portal joint venture with Broadband Partners (any such other business, an "**Incidental Business**," and collectively, "**Incidental Businesses"**), so long as (a) such Incidental Businesses so engaged in by the Company on the Class B Common Measuring Date in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total business engaged in by the Company or (b) such Incidental Businesses which on the Class B Common Measuring Date the Company had agreed to acquire in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total businesses to be acquired, as applicable, the Company may, directly or indirectly, including through any Subsidiary, continue to conduct any such Incidental Business and the foregoing limitation on the business and purpose of the Company shall not require that any such Incidental Business be divested by the Company, but the Company shall not, directly or indirectly, expand any such Incidental Business by means of any acquisition or any commitment of the Company or its Subsidiaries' resources or financial support. "**Cable Transmission Business**" means the transmission of video, audio (including telephony) and data over cable television systems owned, operated or managed by the Company or its Subsidiaries; provided, that the businesses of RCN Corporation and its Subsidiaries shall not be deemed to be a Cable Transmission Business.

ARTICLE III

CAPITAL CONTRIBUTIONS AND UNITS

3.1 Capital Contributions and Certain Transfers of Units

3.1.1 CII or an Affiliate of CII.

(a) On May 25, 1999, CII contributed its entire one hundred percent (100%) limited liability company interest in Charter Communications Holdings, LLC, a Delaware limited liability company, to the Company in exchange for Two Hundred Seventeen Million Five Hundred Eighty-Five Thousand Two Hundred Forty-Six (217,585,246) Class A Common Units.

(b) In August and September 1999, Vulcan Cable contributed cash and assets valued in the aggregate (net of liabilities), at the time of the contributions, at One

Billion Three Hundred Twenty-Five Million Dollars ($1,325,000,000) in exchange for Sixty-Three Million Nine Hundred Seventeen Thousand Twenty-Eight (63,917,028) Class A Common Units.

(c) On the Class B Common Measuring Date, Vulcan Cable contributed an additional Seven Hundred Fifty Million Dollars ($750,000,000) in cash to the Company in exchange for Forty-One Million One Hundred Eighteen Thousand Four Hundred Twenty-One (41,118,421) additional Class A Common Units.

(d) Upon a Rifkin Holder's exercise of its put right under the Rifkin Put Agreement pursuant to which the Company is required to redeem Class A Preferred Units from such Rifkin Holder, if requested by the Manager in a prompt written notice to CII, CII or, at CII's discretion, its Affiliate (other than PublicCo) shall contribute to the Company, in exchange for additional Class A Common Units, an amount of cash equal to the amount that the Company is required to pay such Rifkin Holder for its Class A Preferred Units being redeemed and all Common Units will be diluted on a proportional basis. In return for CII or its Affiliate's Capital Contribution under this Section 3.1.1(d), the Company is authorized, without the need for additional act or consent of any Person, to issue additional Class A Common Units to CII or its Affiliate pursuant to Section 3.6.2(c).

3.1.2 Rifkin Holders. On the Class A Preferred Measuring Date, pursuant to the Rifkin Contribution Agreement, Rifkin Holders contributed the Rifkin Contributed Interest to the Company in exchange for One Hundred Thirty-Three Million Three Hundred Twelve Thousand One Hundred Eighteen (133,312,118) Class A Preferred Units. On the Class B Common Measuring Date, Rifkin Holders contributed One Hundred Thirty Million Three Hundred Five Thousand Nine Hundred Sixteen (130,305,916) Class A Preferred Units to PublicCo, and these Preferred Units converted into Six Million Nine Hundred Forty-Six Thousand Eight Hundred Ninety-Two (6,946,892) Class B Common Units.

3.1.3 PublicCo.

(a) On the Class B Common Measuring Date, PublicCo contributed the net proceeds of the IPO and the net proceeds from the underwriters' exercise of their over-allotment option in connection with the IPO (less certain proceeds retained to acquire certain assets) and agreed to contribute the assets acquired with the retained proceeds to the Company (valued in the aggregate at Three Billion Five Hundred Sixty-Six Million Eight Hundred Seventy Thousand Dollars ($3,566,870,000)) in exchange for One Hundred Ninety-Five Million Five Hundred Fifty Thousand (195,550,000) Class B Common Units.

(b) On September 7, 2000, in connection with the closing of the transaction contemplated by the Agreement and Plan of Merger dated as of March 6, 2000, by and among Cablevision of Michigan, Inc., CSC Holdings, Inc., and PublicCo, PublicCo contributed certain assets to the Company in exchange for Eleven Million One Hundred Seventy-Three Thousand Three Hundred Seventy-Six (11,173,376) Class B Common Units.

(c) On September 13, 2000, in connection with the closing of the transaction contemplated by the Merger Agreement and Plan of Reorganization dated as of August 11, 2000, by and among PublicCo, Craig T. Moncreiff, and Interactive Broadcaster

Services Corporation, PublicCo contributed certain assets to the Company in exchange for Four Hundred Seventy-Two Thousand Six Hundred Forty-Six (472,646) Class B Common Units.

(d) On May 30, 2001, PublicCo contributed the net proceeds of a public offering and the net proceeds from the underwriters' exercise of their over-allotment option in connection with such offering (in the aggregate, approximately $1,221,000,000) in exchange for Sixty Million Two Hundred Forty-Seven Thousand Three Hundred Fifty (60,247,350) Class B Common Units.

(e) The Company has issued through the Effective Date (and will continue to issue in the future) Class B Common Units to PublicCo in connection with employee equity option exercises.

(f) On the Effective Date, in connection with the closing of certain transactions contemplated by the Cable USA Purchase Agreement, PublicCo is contributing certain assets to the Company in exchange for 505,664 Class B Preferred Units.

(g) Upon PublicCo's issuance of shares of common stock other than in exchange for Units, PublicCo shall contribute the net cash proceeds and assets received in respect of such issuance to the Company in exchange for a number of Class B Common Units equal to the number of shares of common stock so issued by PublicCo.

(h) Upon PublicCo's issuance of capital stock, other than common stock, PublicCo shall contribute the net cash proceeds and assets received in respect of any such issuance in exchange for Units that mirror to the extent practicable the terms and conditions of such capital stock of PublicCo, as reasonably determined by the Manager.

3.1.4 FHGLP. On the Class B Common Measuring Date, FHGLP contributed the Falcon Contributed Interest to the Company in exchange for Twenty Million Eight Hundred Ninety-Three Thousand Five Hundred Thirty-Nine (20,893,539) Class D Common Units. On the same day, FHGLP distributed all such Class D Common Units to its partners who, in turn, contributed Nineteen Million Two Hundred Forty-Three Thousand Six Hundred Ninety-One (19,243,691) Class D Common Units to PublicCo and sold One Million Six Hundred Forty-Nine Thousand Eight Hundred Forty-Eight (1,649,848) Class D Common Units to Vulcan Cable. The Class D Common Units contributed to PublicCo converted into Class B Common Units, and the Class D Common Units sold to Vulcan Cable converted into Class A Common Units. On the Class C Common Measuring Date, in connection with the closing of the transaction contemplated by the Bresnan Purchase Agreement and pursuant to the Falcon Purchase Agreement, the Company issued (i) Three Hundred Forty-Nine Thousand One Hundred Sixty-Two (349,162) additional Class B Common Units to PublicCo (as a successor in interest of FHGLP), and (ii) Twenty-Nine Thousand Nine Hundred Thirty-Six (29,936) additional Class A Common Units to Vulcan Cable (as a successor-in-interest of FHGLP).

3.1.5 Bresnan Holders. On the Class C Common Measuring Date, the Bresnan Holders contributed the Bresnan Contributed Interest to the Company in exchange for Fourteen Million Seven Hundred Ninety-Five Thousand Nine Hundred Ninety-Five

(14,795,995) Class C Common Units pursuant to the Bresnan Purchase Agreement. On June 1, 2001, pursuant to the Bresnan Purchase Agreement, the Company issued 35,557 additional Class C Common Units to the Bresnan Holders.

3.1.6 Outstanding Units. Schedule A attached hereto describes all of the outstanding Units as of the Effective Date.

3.2 Additional Capital Contributions. No Member shall be required to make any Capital Contributions other than the Capital Contributions required by Section 3.1. Subject to the approval of the Manager, the Members may be permitted from time to time to make additional Capital Contributions if it is determined that such additional Capital Contributions are necessary or appropriate for the conduct of the Company's business and affairs, including without limitation expansion or diversification. The Manager shall approve all aspects of any such additional Capital Contribution, such as the amount and nature of the consideration to be contributed to the Company, the resulting increase in interest to be received by the contributing Member, the resulting dilution of interest to be incurred by the other Members, and the extent to which Members will participate in the allocations and distributions of the Company as a result thereof.

3.3 Capital Accounts. The Company shall establish an individual Capital Account for each Member. The Company shall determine and maintain each Capital Account in accordance with Regulations Section 1.704-1(b)(2)(iv) and, in pursuance thereof, the following provisions shall apply:

3.3.1 To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's allocated share of Net Profits and any items in the nature of income or gain that are specially allocated pursuant to Section 6.3, 6.4, or 6.5 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member;

3.3.2 To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, such Member's allocated share of Net Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Section 6.3, 6.4, or 6.5 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company;

3.3.3 In the event all or a portion of a Membership Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Membership Interest; and

3.3.4 In determining the amount of any liability for purposes of Sections 3.3.1 and 3.3.2 hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section

1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Manager determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, the Manager may make such modification.

3.4 No Interest. No Member shall be entitled to receive any interest on such Member's Capital Contributions.

3.5 Limited Withdrawal Rights of Members; Redemption Rights of the Company.

3.5.1 No Withdrawal in General. No Member shall have the right to withdraw such Member's Capital Contributions or to demand and receive property of the Company or any distribution in return for such Member's Capital Contributions, except as may be specifically provided in this Agreement or required by law.

3.5.2 Redemption of Class A Preferred Units.

(a) Upon a Rifkin Holder's exercise of its put right under the Rifkin Put Agreement pursuant to which the Company is required to redeem Class A Preferred Units, the Company shall redeem in cash from such Rifkin Holder the number of Class A Preferred Units specified in the notice of exercise. The redemption price for such Class A Preferred Units shall be the sum of (i) the Class A Preferred Contributed Amount in respect of such Class A Preferred Units and (ii) the Class A Preferred Return Amount in respect of such redeemed Class A Preferred Units. The redemption of Class A Preferred Units shall be effectuated as of the last day of the calendar quarter following the date of a Rifkin Holder's exercise of its put right. The Class A Preferred Units redeemed pursuant to this Section 3.5.2(a) shall be deemed cancelled.

(b) All Class A Preferred Units outstanding on the fifteenth (15th) anniversary of the Class A Preferred Measuring Date shall be redeemed by the Company on such date at a redemption price equal to the sum of (i) the Class A Preferred Contributed Amount in respect of such Class A Preferred Units and (ii) the Class A Preferred Return Amount in respect of such redeemed Class A Preferred Units. The Class A Preferred Units redeemed pursuant to this Section 3.5.2(b) shall be deemed cancelled.

3.5.3 Right to Redeem Class A Preferred Units. At any time after the third anniversary of the Class A Preferred Measuring Date, the Company shall have the right to redeem the Class A Preferred Units at a redemption price equal to the sum of (i) the Class A Preferred Contributed Amount in respect of such redeemed Class A Preferred Units and (ii) the Class A Preferred Return Amount in respect of such redeemed Class A Preferred Units. The Class A Preferred Units redeemed pursuant to this Section 3.5.3 shall be deemed cancelled.

3.5.4 Redemption of Class B Common Units. Upon PublicCo's request, the Company is required and is hereby authorized to redeem Class B Common Units held by PublicCo to the extent reasonably practicable as determined by the Manager. The redemption price for such Class B Common Units shall be determined in good faith by the Manager and PublicCo. The Class B Common Units redeemed pursuant to this Section 3.5.4 shall be deemed cancelled.

3.6 Units.

3.6.1 Classes and Number of Units. Units shall consist of the following: (i) Class A Preferred Units, (ii) Class B Preferred Units, (iii) Class A Common Units, (iv) Class B Common Units, (v) Class C Common Units, and (vi) any other classes of common or preferred Units upon the Approval of the Members. Subject to the terms of this Agreement, the Company may issue as many as one hundred billion (100,000,000,000) units of each class of Units. Notwithstanding any provision of this Agreement to the contrary, upon PublicCo's request, the Company is required and is hereby authorized to subdivide (by any split, distribution, reclassification, recapitalization or otherwise) or combine (by reverse split, reclassification, recapitalization or otherwise) the outstanding Units so that the number of outstanding shares of PublicCo's common stock will equal on a one-for-one basis the number of Common Units owned by PublicCo. The Manager is authorized to take any action necessary, desirable, or convenient to effectuate the foregoing.

3.6.2 Class A Common Units.

(a) As of the Effective Date, the number of Class A Common Units issued to CII is Two Hundred Seventeen Million Five Hundred Eighty-Five Thousand Two Hundred Forty-Six (217,585,246), and the number of Class A Common Units issued to Vulcan Cable is One Hundred Six Million Seven Hundred Fifteen Thousand Two Hundred Thirty-Three (106,715,233).

(b) After the Effective Date, if CII or any Affiliate of CII (other than PublicCo) contributes any assets to the Company, the Members' Membership Interests will be adjusted, additional Class A Common Units will be issued to CII or such Affiliate, and Common Units will be diluted on a proportional basis with Class B Common Units.

(c) Notwithstanding any other provision of this Section 3.6, upon contribution of cash by CII or its Affiliate (other than PublicCo) to the Company pursuant to Section 3.1.1(d), the number of Class A Common Units to be issued to CII or such Affiliate will be (i) the amount of cash contributed by CII or such Affiliate, divided by (ii) nineteen dollars ($19) (subject to an appropriate adjustment if the Company's Common Units are split, subdivided or combined after the Effective Date).

(d) Upon the acquisition of Class A Preferred Units pursuant to the Rifkin Put Agreement by CII or its Affiliate (other than PublicCo), such Class A Preferred Units will be converted into Class A Common Units. CII or such Affiliate will be deemed to have made a Capital Contribution of cash to the Company in the amount paid to a Class A Preferred Member pursuant to the Rifkin Put Agreement, and the Company will be deemed to have issued Class A Common Units to CII or its Affiliate. The number of Class A Common Units acquired by CII or such Affiliate pursuant to this Section 3.6.2(d) will be (i) the net purchase price paid by CII or such Affiliate for the Class A Preferred Units, divided by (ii) nineteen dollars ($19) (subject to an appropriate adjustment if the Company's Common Units are split, subdivided or combined after the Effective Date).

3.6.3 Class A Preferred Units. As of the Effective Date, the aggregate number of outstanding Class A Preferred Units is Three Million Six Thousand Two Hundred Two (3,006,202).

3.6.4 Class B Common Units.

(a) As of the Effective Date, the aggregate number of Class B Common Units issued to PublicCo was Two Hundred Ninety-Four Million Two Hundred Sixty-Seven Thousand Five Hundred Forty (294,267,540).

(b) Upon PublicCo's contribution of cash and/or assets to the Company pursuant to Section 3.1.3(g), the Company will issue to PublicCo that number of additional Class B Common Units equal to the number of shares of common stock issued by PublicCo in such transaction.

(c) Upon PublicCo's contribution of cash and/or assets to the Company pursuant to Section 3.1.3(h), the Company will issue to PublicCo Units that mirror to the extent practicable the terms and conditions of the capital stock issued by PublicCo, as reasonably determined by the Manager.

(d) The Company may and is authorized to issue Class B Common Units to certain Persons pursuant to the terms of the Company's employee option/compensatory plans and agreements (as adopted or entered into from time to time).

3.6.5 Class C Common Units. As of the Effective Date, the aggregate number of Class C Common Units issued to the Bresnan Holders is Fourteen Million Eight Hundred Thirty-One Thousand Five Hundred Fifty-Two (14,831,552).

3.6.6 Class B Preferred Units.

As of the Effective Date, the Company shall issue to PublicCo 505,664 Class B Preferred Units. Without limiting the generality of Sections 3.1.3(h), 3.6.4(c), and 5.1.7, in the case of the Class B Preferred Units, the following provisions shall apply, notwithstanding anything to the contrary contained in Section 3.3 or Articles VI or IX:

(a) The Manager shall distribute cash from the Company to the Class B Preferred Member (or, following a conversion described in Section 3.6.6(c), the Class B Common Member) in the same amounts and at the same times as the payments made by the Class B Preferred Member (or the Class B Common Member) for (i) dividends (when, as, and if declared by its Board of Directors under that certain Certificate of Designation of Series A Convertible Preferred Stock of PublicCo) with respect to the shares of Series A Convertible Preferred Stock issued by it pursuant to the Cable USA Purchase Agreement, and (ii) federal, state, and local taxes attributable to the allocations made pursuant to Section 3.6.6(b) or to the distributions made pursuant to any provision of this Section 3.6.6; provided, however, that such distributions to the Class B Preferred Member (or the Class B Common Member) shall not be made to the extent they would (x) violate applicable law; (y) breach, or with the passage of time or the giving of notice result in a breach of, any contractual covenants of the Company or its Subsidiaries; or (z) following the occurrence of any event specified in Section 9.1, create or increase a Capital Account deficit for the Class

B Preferred Member (or the Class B Common Member) that exceeds its obligation deemed and actual to restore such deficit, determined as follows: distributions shall first be determined tentatively pursuant to this Section 3.6.6(a) without regard to the Class B Preferred Member's (or the Class B Common Member's) Capital Account, and then the allocation provisions of this Section 3.6.6 and Article VI shall be applied tentatively as if such tentative distributions had been made; if the Class B Preferred Member (or the Class B Common Member) shall thereby have a deficit Capital Account that exceeds its obligation (deemed or actual) to restore such deficit, the actual distribution to it pursuant to this Section 3.6.6(a) shall be equal to the tentative distribution to it less the amount of such excess. The distributions by the Company required by this Section 3.6.6(a) shall have priority over any distributions to be made pursuant to Section 6.9 or Section 9.5.2.

(b) If the Company has Combined Book Profits for any Allocation Period, then a uniform percentage of the Net Profits and of each item of Depreciation for such Allocation Period shall be allocated to the Class B Preferred Member or, following a conversion described in Section 3.6.6(c), the Class B Common Member so as to cause an allocation pursuant to this Section 3.6.6(b) for such Allocation Period of an aggregate amount of net book income to the extent of the excess, if any, of (i) the cumulative amount of the distributions made pursuant to Section 3.6.6(a) on or before a date thirty (30) days after the end of such Allocation Period, over (ii) the cumulative amount of net book income allocated pursuant to this Section 3.6.6(b) for all prior Allocation Periods. The allocations required by this Section 3.6.6(b) shall have priority over any allocations to be made pursuant to Section 6.1 or Section 6.3.7 (other than subsections (e) and (f) thereof).

(c) Upon the conversion of any shares of Series A Convertible Preferred Stock issued by PublicCo pursuant to the Cable USA Purchase Agreement into shares of Class A Common Stock of PublicCo, a like number of Class B Preferred Units shall be automatically converted into that number of Class B Common Units ("Class B Common Conversion Units") equal to the number of shares of Class A Common Stock of PublicCo into which the shares of Series A Convertible Preferred Stock of PublicCo converted. If the Company has Non-Operating Profits or Non-Operating Losses for any Allocation Period ending after such a conversion, then a uniform percentage of every item of gain and loss included in such Non-Operating Profits or Non-Operating Losses either (i) shall be allocated under this Section 3.6.6(c) to the Class B Common Member with respect to the Class B Common Conversion Units or (ii) shall not be allocated under Section 6.3.9 to the Class B Common Member with respect to the Class B Common Conversion Units (in which case the items not so allocated with respect to the Class B Common Conversion Units shall be allocated with respect to other Units as provided under Section 6.3.9), and such allocations and limitations on allocations under clauses (i) and (ii) shall continue until the average per-unit Capital Account balance then traceable with respect to the Class B Common Conversion Units is equal to the average per-unit Capital Account balance then traceable with respect to all other Class B Common Units. In determining the amount of such average per-unit Capital Account balances for purposes of this Section 3.6.6(c), the effect of the distributions and allocations made pursuant to Sections 3.6.6(a) and 3.6.6(b) shall be disregarded. The allocations required by this Section 3.6.6(c) shall have priority over any allocations to be made pursuant to Section 6.3.9.

(d) An allocation under Article VI shall not be made to the extent it would cause the Adjusted Capital Account Balance of the Class B Common Member to be less than the amount of the Liquidation Preference. For purposes of this Section 3.6.6(d), "Adjusted Capital Account Balance" means, with respect to the Class B Common Member, its Capital Account balance as adjusted by the items described in Sections 1.2.1, 1.2.2, and 1.2.3, and "Liquidation Preference" means, as of any date, an amount equal to the amount that, in the event of a liquidation of PublicCo, would be required to be distributed by PublicCo in respect of the then outstanding shares of its Series A Convertible Preferred Stock that are attributable to the Cable USA Purchase Agreement. Any allocations not made to the Class B Common Member as a result of the limitation set forth in this Section 3.6.6(d) shall be subject to a curative allocation mechanism similar to that provided in Section 6.5.1 with respect to Section 6.2.3.

(e) The Capital Account of the Class B Preferred Member or, following a conversion described in Section 3.6.6(c), the Class B Common Member shall be credited or debited, as appropriate, to reflect the allocations made pursuant to this Section 3.6.6. No offsetting special allocations shall be made pursuant to Section 6.5.1 in respect of the allocations made pursuant to this Section 3.6.6.

(f) In connection with PublicCo's redemption of any of its Series A Convertible Preferred Stock, upon PublicCo's request, the Manager shall distribute cash from the Company to PublicCo in redemption of that number of Class B Preferred Units equal to the number of shares of Series A Convertible Preferred Stock redeemed by PublicCo. The amount of cash distributed in redemption of such Class B Preferred Units shall be equal to the aggregate redemption price paid by PublicCo in connection with its redemption of Series A Convertible Preferred Stock. The Class B Preferred Units redeemed pursuant to this Section 3.6.6(f) shall be deemed cancelled.

(g) In implementing the foregoing provisions, the Manager may, so long as substantially the same economic result is achieved, make such modifications and take such other actions as it deems appropriate (i) to carry out the provisions of this Section 3.6.6 in a manner that is as consistent as practicable with the other provisions of this Agreement and (ii) to take into account legal developments concerning the tax consequences of owning preferred interests in limited liability companies, including the consequences of converting such interests into common interests.

3.6.7 Dilution of Common Units. Upon the issuance of Common Units to an entity that is not an Affiliate of CII, and upon the issuance of Common Units to employees of the Company in their capacity as employees, all Common Units will be diluted on a proportional basis with the existing Class A Common Units.

3.7 Equal Treatment. In any transaction involving issuance, redemption, or Transfer of Units (except as set forth in Section 3.1.1(d), 3.6.2(c), 3.6.2(d), 7.1, or 7.2) between (i) the Company and (ii) any Member that is an Affiliate of Paul G. Allen (other than PublicCo) with respect to such Member's Common Units, such Members and the Class C Common Members will be treated in a nondiscriminatory manner. For instance, any proposed redemption from CII (as long as it is an Affiliate of Paul G. Allen) of its Common Units shall be offered to the Class C Common Members with respect to their Class C

Common Units on the same proportionate terms and conditions. Notwithstanding anything to the contrary in this Agreement, if an Affiliate of Paul G. Allen contributes cash or assets to the Company and the Company issues Units to such Person, the Class C Common Members shall not have any preemptive right to purchase any of the newly-issued Units.

3.8 Limited Liability Company Certificates. The Manager may, in its sole discretion, provide that certain Units are to be evidenced by certificates of limited liability company interest executed by the Manager or any officers of the Company in such form as the Manager may approve.

ARTICLE IV

MEMBERS

4.1 Limited Liability. Except as required under the Act or as expressly set forth in this Agreement, no Member shall be personally liable for any debt, obligation, or liability of the Company, whether that debt, obligation, or liability arises in contract, tort or otherwise.

4.2 Admission of Members. Without the need for any additional act or consent of any Person, CII, Vulcan Cable, the Rifkin Holders listed on Schedule A, the Bresnan Holders, and PublicCo shall continue to be members of the Company. Except as set forth in Article VII, no Person shall be admitted as an additional Member unless approved by the Manager and the Approval of the Members. No Person shall be admitted as an additional Member until such additional Member has made any required Capital Contribution and has become a party to this Agreement. Substitute Members may be admitted only in accordance with Article VII. The Members acknowledge that the admission of such new Members or the issuance of additional Membership Interests to pre-existing Members may dilute the Percentage Interests of the Members.

4.3 Meetings of Members.

4.3.1 No annual or regular meetings of the Members as such shall be required; if convened, however, meetings of the Members may be held at such date, time, and place as the Manager or as the Member or Members who properly noticed such meeting, as the case may be, may fix from time to time. At any meeting of the Members, the Chairman of the Board (or, if there is no Chairman or the Chairman so elects, a person appointed by the Manager) shall preside at the meeting and shall appoint another person to act as secretary of the meeting. The secretary of the meeting shall prepare written minutes of the meeting, which shall be maintained in the books and records of the Company.

4.3.2 A meeting of the Members for the purpose of addressing any matter on which the vote, consent, or approval of the Members is required or permitted under this Agreement may be called at any time by the Manager, or by any Member or Members holding more than twenty percent (20%) of all issued and outstanding Units entitled to vote on, consent to or approve such matter.

4.3.3 Notice of any meeting of the Members shall be sent or otherwise given by the Manager to the Members in accordance with this Agreement not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify

the place, date, and hour of the meeting and the general nature of the business to be transacted. Except as the Members may otherwise agree, no business other than that described in the notice may be transacted at the meeting.

4.3.4 Attendance in person of a Member at a meeting shall constitute a waiver of notice of that meeting, except when the Member objects, at the beginning of the meeting, to the transaction of any business because the meeting is not duly called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting. Neither the business to be transacted nor the purpose of any meeting of Members need be specified in any written waiver of notice. The Members may participate in any meeting of the Members by means of conference telephone or similar means as long as all Members can hear one another. A Member so participating shall be deemed to be present in person at the meeting.

4.3.5 Any action that can be taken at a meeting of the Members may be taken without a meeting and without prior notice if a consent in writing setting forth the action so taken is signed and delivered to the Company by Members representing not less than the minimum number of Units necessary under this Agreement or the Act to approve the action. The Manager shall notify Members holding Units entitled to vote on, consent to or approve such actions of all actions taken by such consents, and all such consents shall be maintained in the books and records of the Company.

4.4 Voting by Members. The Members, acting solely in their capacities as Members, shall have the right to vote on, consent to, or otherwise approve only those matters as to which this Agreement or the Act specifically requires such approval. A Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Except as otherwise specifically provided in this Agreement, the Approval of the Members shall be all that is required as to all matters, including merger, consolidation, and conversion, as to which the vote, consent, or approval of the Members is required or permitted under this Agreement or the Act.

4.5 Members Are Not Agents. No Member acting solely in the capacity of a Member is an agent of the Company, nor can any Member acting solely in the capacity of a Member bind the Company or execute any instrument on behalf of the Company.

4.6 No Withdrawal. Except as provided in Articles III, VII and IX hereof, no Member may withdraw, retire, or resign from the Company without the prior Approval of the Members.

4.7 FCC Regulations.

4.7.1 Notwithstanding any other provision of this Agreement to the contrary, no Class C Common Member, including any officer, director, partner, Affiliate or equivalent non-corporate official of such Class C Common Member, shall:

(a) act as an employee of the Company if his or her functions, directly or indirectly, relate to the media enterprises of the Company;

(b) serve, in any material capacity, as an independent contractor or agent with respect to the Company's media enterprises;

(c) communicate with the Manager or any management committee of the Company on matters pertaining to the day-to-day operations of the Company's business;

(d) perform any services for the Company materially relating to its media activities; provided, however, that such Class C Common Member may make loans to, or act as a surety for, the Company;

(e) become actively involved in the management or operation of the media business of the Company;

(f) vote on the admission of additional Members, unless such admission is subject to the veto of the Manager; or

(g) vote on the removal of a Member, except where such Member is (A) subject to bankruptcy proceedings, as described in Section 402(4)-(5) of the Revised Uniform Limited Partnership Act; (B) is adjudicated incompetent by a court of competent jurisdiction; or (C) is removed for cause, as determined by an independent party.

The foregoing language is designed to ensure that the Class C Common Members' ownership of Class C Common Units in the Company will be deemed non-attributable for purposes of those FCC rules and regulations (as amended and any successor laws thereto, the **"Attribution Rules"**) that require members of a limited liability company to certify that they are not materially involved in the Company in order to obtain non-attributable status (**"Non-Attributable Status"**). (Notwithstanding, anything to the contrary contained herein, in the event of any amendment of the Attribution Rules (or the promulgation of any successor rules or regulations), the Manager shall have the authority to amend this Section 4.7.1 as necessary for the Class C Common Members to maintain, or obtain, Non-Attributable Status.) Although the foregoing language should be read to preclude a Class C Common Member from taking any actions with respect to the Company or any entity in which the Company holds an attributable interest that would prevent the Company from certifying that such Class C Common Member is "insulated" from material involvement in the Company under applicable FCC rules, it is not intended to preclude any Class C Common Member from engaging in any activities that are consistent with such FCC rules and would not cause the Class C Common Member to be deemed to hold an attributable interest in the Company. The Company's sole remedy for a breach of this Section 4.7.1, except in the event of an intentional breach by a Class C Common Member, is the exercise of its rights set forth in Section 4.7.2 below.

4.7.2 In the event that (i) the ownership by any Class C Common Member of Class C Common Units is reasonably deemed by the Manager to be attributable for purposes of the Attribution Rules, including without limitation either as a result of (A) any breach by a Class C Common Member of Section 4.7.1 or (B) a determination by the Federal Communications Commission **("FCC")** that would reasonably be considered to result in such Class C Common Member's ownership of Class C Common Units being deemed attributable notwithstanding the provisions of Section 4.7.1 and (ii) such attribution

(A) results in a violation of any cross or multiple-ownership rule or regulation promulgated by the FCC (the **"Ownership Rules"**), including without limitation the Cable/Broadcast Television Ownership Rules (§ 47 C.F.R. 76.501(a)), the Cable Television Horizontal Ownership Rules, if applicable (§ 47 C.F.R. 76.503), or the Cable/MMDS Cross Ownership Rules (§ 47 C.F.R. 21.912) or (B) would prevent the Company from engaging in the Cable Transmission Business in any area within the United States as a result of a potential violation of the Ownership Rules, whether by acquisition of an existing system or original construction, if, at the time of the determination, the Company is actively pursuing (including making internal evaluations) engaging in the Cable Transmission Business in such area, such Class C Common Member and the Manager shall cooperate in good faith to remedy any violation of the Ownership Rules by seeking appropriate relief from the FCC with respect to such Class C Common Member's ownership of the Class C Common Units or at such Class C Common Member's option through the divestment by the Class C Common Member of the interest or property (with the exception of the Class C Member Units) that causes, or would cause, the violation of the Ownership Rules; provided that in no event shall the Company, any of its Subsidiaries, or such Class C Common Member be required to divest any of its properties or assets or to cease any of its business activities or to forego any opportunity to acquire or expand any properties, assets or business activities or take any action that would otherwise adversely affect the Company's or such Class C Common Member's business, operations or financial condition in any way or result in any significant financial expense or tax disadvantage to the Company, PublicCo or the Class C Common Member, respectively, except as specifically provided for herein. The Company and Class C Common Member shall attempt to remedy any Ownership Rule violation or potential violation as soon as practicable. In the event that such Ownership Rule violation (in the case of clause (A) above) or potential violation (in the case of clause (B) above) is not remedied within the shorter of either (i) six (6) months or such longer period of time as agreed to by mutual consent of the Company and the Class C Common Member; or (ii) such period as may be mandated by the FCC, such Class C Common Member shall exercise its right to exchange its Class C Common Units for shares of Publicly Traded Stock (as defined in the Bresnan Exchange Agreement) of PublicCo pursuant to the terms of the Bresnan Exchange Agreement. In the event the Company becomes aware of a violation of the Ownership Rules (in the case of clause (A) above) or potential violation (in the case of clause (B) above) the Company shall provide such Class C Common Member with prompt written notice. If such an exchange would result in a violation of the ownership restrictions of the Communications Act of 1934, as amended, or Ownership Rules, such violation shall be remedied, as determined by the Company in its sole discretion, by (i) the Class C Common Member selling a sufficient number of shares of Publicly Traded Stock to cure the violation; (ii) the Company taking such actions with respect to its business or operations as are necessary to cure the violation, provided that in no event shall the Company be obligated to take such actions; or (iii) if proposed by a Class C Common Member, such Class C Common Member taking actions with respect to its business or operations as are necessary to cure the violation; provided, however, that the Company shall not unreasonably withhold its consent to any remedy proposed by a Class C Common Member that would adequately and promptly address the violation and would not require the Company or any of its Subsidiaries to divest any of its properties or assets or to cease any of its business activities or to forego any opportunity to acquire or expand any properties, assets or business activities or otherwise adversely affect the Company's business, operations or financial condition in any way or result in any significant financial expense or tax disadvantage to the Company or

PublicCo. In the event that the FCC lowers the permissible attribution percentages under its Ownership Rules, if requested by the Class C Common Member, PublicCo will reasonably cooperate in good faith to assist the Class C Common Members in taking appropriate and timely action to seek to insulate the Class C Common Member's interest in PublicCo to the extent required (including, subject to the qualification set forth below, issuing preferred non-voting stock on substantially the same terms as the Class A Common Stock to the Class C Common Member in exchange for its Class A Common Stock or permitting the Class C Common Member to form a special purpose corporation), or the Class C Common Member, at its option, may take any other actions with respect to its business necessary to comply with the new rules; provided that in no event shall PublicCo or any of its Subsidiaries be required to divest any of its properties or assets or to cease any of its business activities or to forego any opportunity to acquire or expand any properties, assets or business activities or otherwise adversely affect PublicCo's or the Company's business, operations or financial condition in any way or result in any significant financial expense or tax disadvantage to PublicCo or the Company in order to achieve such insulation; provided that if such insulation is not achieved, the Class C Common Member shall divest the number of shares of Publicly Traded Stock (as defined in the Bresnan Exchange Agreement) as is necessary to remedy the applicable FCC rule or regulation at issue.

4.8 Loans to Members.

4.8.1 General. If a Common Member is, or reasonably expects to be, allocated taxable income described in Section 4.8.2 or 4.8.3, then upon such Member's request, the Company, subject to the provisions of this Section 4.8, shall make a loan **("Tax Loan")** to such Member in an amount **("Tax Loan Amount")** no greater than the amount reasonably sufficient to enable such Member to fund its tax liability, or estimated tax payments, resulting from the allocation of such taxable income on the later of (i) five days before each of April 15, June 15, September 15 and January 15 for estimated tax payments and April 15 for final tax payments, and (ii) the date such Member requests the funding of such Tax Loan, which date shall be no later than one hundred fifty (150) days after the end of the taxable year in which the taxable income arises; provided, however, that in the case of Tax Loans made with respect to estimated income tax payments, the Tax Loan Amount shall be no greater than the amount of estimated taxes actually paid by the Common Member receiving the loan and that such Member shall provide to the Company reasonable documentation of the portion of its actual estimated tax payment attributable to the taxable income described above. The Tax Loan shall be secured by a first priority security interest in all of such Member-creditor's Common Units and may be prepaid at any time prior to the due date. The Members acknowledge (i) that many of the partners in Blackstone BC Capital Partners, L.P., Blackstone BC Offshore Capital Partners, L.P., and Blackstone Family Media Partnership III L.P. are residents of New York City and that tax liability for such Blackstone entities must be calculated using the highest nominal, marginal federal, state, and local income tax rates then imposed on such income of individual taxpayers residing in New York City, with appropriate adjustments for the federal tax benefits from the deduction for state and local taxes and (ii) that for each year, the Blackstone entities' tax liability shall be equal to the greater of the regular or alternative minimum tax liability taking into account alternative minimum tax adjustments and carryfoward items arising from such entities' Membership Interests in the Company. With respect to a Tax Loan to BCI (USA), LLC, the Tax Loan Amount shall be determined as follows: based upon the certification of the tax

return preparer(s) of beneficial holders of membership interests in BCI (USA), LLC to whom BCI (USA), LLC allocates at least seventy-five percent (75%) of the taxable income allocated to it by the Company, BCI (USA), LLC shall certify to the Company (i) the tax liability (estimated or actual) of such beneficial holders attributable to the taxable income described in Section 4.8.2 or 4.8.3 that is allocated to such beneficial holders, and (ii) the percentage of the taxable income allocated to BCI (USA), LLC by the Company that is allocated by BCI (USA), LLC to such beneficial holders. The Tax Loan Amount shall be equal to the amount of such certified tax liability, increased proportionately to account for the beneficial holders of membership interests in BCI (USA), LLC whose allocable shares of taxable income are not reflected in such certified amount. For example, if BCI (USA), LLC certifies to the Company that the applicable tax liability is Nine Million Dollars ($9,000,000) with respect to beneficial holders to whom BCI (USA), LLC allocates ninety percent (90%) of the taxable income allocated to it by the Company, then the Tax Loan Amount shall be Ten Million Dollars ($10,000,000).

4.8.2 Interest-Free Loan. With respect to any taxable year ending prior to the second (2nd) anniversary of the Class C Common Measuring Date, if a Common Member is allocated any taxable income arising from a sale or other disposition (other than in the ordinary course of business) of the Property contributed by such Member pursuant to Code Section 704(c) other than taxable income arising from a fully taxable sale or disposition for which such Member has elected to receive an interest-bearing Tax Loan under Section 4.8.3, then (i) the Tax Loan for such tax liability shall be due and payable to the Company no later than ninety (90) days after the second (2nd) anniversary of the Class C Common Measuring Date (or if a Common Member exercises its put option pursuant to the Bresnan Put Agreement, then the date of closing thereunder) and shall be interest-free, and (ii) the Tax Loan Amount due shall be reduced by the amount of income taxes paid by the Member attributable to its recognition of imputed income under the interest-free Tax Loan.

4.8.3 Interest-Bearing Loan. With respect to any taxable year ending prior to the tenth (10th) anniversary of the Class C Common Measuring Date, if a Common Member is allocated (i) any taxable income other than, in the case of a Class C Common Member, an amount of taxable income equal to the amount of the hypothetical remedial item of taxable income required to be taken into account in determining the allocation of items of Depreciation to such Member under Section 6.3.7(f), or (ii) any taxable income arising from a fully taxable sale or disposition (other than in the ordinary course of business) of the Property contributed by such Member pursuant to Section 704(c) other than an amount for which the Member has elected to receive an interest-free Tax Loan pursuant to Section 4.8.2, then the Tax Loan for such tax liability shall be due and payable to the Company no later than the tenth (10th) anniversary of the Class C Common Measuring Date and shall bear interest, compounded annually at a rate per annum equal to the applicable federal rate under Code Section 1274(d) for a loan due on the tenth (10th) anniversary of the Class C Common Measuring Date plus 100 basis points.

4.8.4 Acceleration of Repayment. Notwithstanding anything to the contrary in this Section 4.8, (i) if the Company makes any distributions to the Common Members pursuant to Section 6.9 or otherwise, the amount of each Common Member’s outstanding Tax Loan Amount equal to the amount of distributions made to such Member pursuant to Section 6.9 or otherwise shall become due and payable to the Company

immediately, and (ii) if any Class C Common Member sells, transfers, or exchanges any of its Class C Common Units (other than pursuant to Section 7.2.3), the amount of such Member's outstanding Tax Loan Amount up to the fair market value of the Units sold, transferred, or exchanged shall become due and payable to the Company immediately; provided, however, that in the event that a Class C Common Member exchanges its Class C Common Units for PublicCo common stock pursuant to the Bresnan Exchange Agreement and not all shares of PublicCo common stock received in such exchange are permitted by PublicCo to be sold pursuant to a securities registration, only the amount of such Member's outstanding Tax Loan Amount up to the excess, if any, of (i) the fair market value of PublicCo common stock received by such Member that are permitted to be sold, over (ii) forty-six percent (46%) of the fair market value of all PublicCo common stock received by such Member in the exchange shall become due and payable immediately. In the case described in the proviso of the preceding sentence, the Company shall receive a security interest in the unsold PublicCo common stock held by the Member, and as soon as any shares of PublicCo common stock not permitted to be sold at the time of the exchange become eligible for sale pursuant to a securities registration, such Member's outstanding Tax Loan Amount equal to the fair market value of such shares shall become immediately due and payable to the Company.

4.8.5 Loan Documentation; Miscellaneous. A Member receiving a Tax Loan shall cooperate with the Company to document the respective parties' rights and obligations under the Tax Loan including, without limitation, loan documentation providing for and perfecting a security interest as contemplated by Section 4.8.1. Notwithstanding any provision to the contrary in Section 4.8, (i) the Company shall not make a Tax Loan to any Member if the loan would breach, or with the passage of time or the giving of notice result in a breach of, any contractual covenants of the Company or its Subsidiaries, and (ii) a Common Member entitled to receive a Tax Loan from the Company may waive its right to receive the loan.

ARTICLE V

MANAGEMENT AND CONTROL OF THE COMPANY

5.1 Management of the Company by Manager.

5.1.1 The Members hereby unanimously confirm the election of PublicCo, or its successor-in-interest which acquires directly or indirectly substantially all of the assets or businesses of PublicCo, as the manager of the Company (the **"Manager"**) for the period on and after November 8, 1999. At such time as the Approval of the Members means the affirmative vote, approval or consent of Members holding more than fifty percent (50%) of the Common Units, CII, or its successor-in-interest which acquires directly or indirectly substantially all of the assets or businesses of CII, shall be the Manager in place of PublicCo without further action of the Members and each of the Members hereby consents to such election of CII. No Person may be elected as Manager in addition to or in substitution of CII or PublicCo, other than an Affiliate of CII or PublicCo or any of their successors-in-interest which acquire directly or indirectly substantially all of the assets or businesses of any Affiliate of CII or PublicCo, without the approval of the Common Members owning a majority of each class of Common Units; provided, however, that no approval of the Class C

Common Members shall be required if there are fewer than Two Million (2,000,000) Class C Common Units outstanding. Except as otherwise required by applicable law and as provided in Section 5.2 with respect to the Board, the powers of the Company shall at all times be exercised by or under the authority of, and the business, property and affairs of the Company shall be managed by, or under the direction of, the Manager.

5.1.2 The Manager shall be authorized to elect, remove or replace directors and officers of the Company, who, subject to the direction of the Manager, shall have such authority with respect to the management of the business and affairs of the Company as set forth herein or as otherwise specified by the Manager in a resolution or resolutions of the Manager.

5.1.3 Except as otherwise required by applicable law, the Manager shall be authorized to execute or endorse any check, draft, evidence of indebtedness, instrument, obligation, note, mortgage, contract, agreement, certificate or other document on behalf of the Company. The Manager may delegate its authority under this Section 5.1.3 to the officers of the Company.

5.1.4 No annual or regular meetings of the Manager are required. The Manager may, by written consent and without prior notice (provided that prompt subsequent notice is given to the Members), take any action which it is otherwise required to take at a meeting. Such written consent may be conclusively evidenced by any reasonable means, including without limitation (i) any resolution of the board of the directors of the Manager authorizing, approving or ratifying the Company's taking of any action or (ii) any written approval or consent of any authorized officer of the Manager on behalf of the Manager in its capacity as such authorizing, approving or ratifying such action.

5.1.5 Except as provided in this Agreement, the Manager's duty of care in the discharge of its duties to the Company and the Members is limited to discharging its duties pursuant to this Agreement in good faith, with the care a corporate director of like position would exercise under similar circumstances, in the manner it reasonably believes to be in the best interests of the Company. In discharging its duties, the Manager shall not be liable to the Company or to any Member for any act or omission performed or omitted by such Person in good faith on behalf of, or in connection with the business and affairs of, the Company and in a manner reasonably believed to be within the scope of authority conferred on such Person by this Agreement, except that such Person shall be liable in respect of any loss, damage, or claim incurred by such Person by reason of such Person's fraud, deceit, reckless or intentional misconduct, gross negligence, or a knowing violation of law with respect to such acts or omissions.

5.1.6 Notwithstanding the other provisions of this Section 5.1 but subject to the provisions of Section 4.7, the Manager shall provide the Bresnan Holders that are Affiliates of Blackstone Group L.P. consultative rights reasonably acceptable to the Manager so that such Bresnan Holders may maintain their VCOC status as long as they hold Class C Common Units and qualify under the VCOC Exception.

5.1.7 Notwithstanding the other provisions of this Section 5.1, in connection with PublicCo's contribution to the Company of the net cash proceeds and assets

received in respect of (i) the issuance of securities or incurrence of indebtedness for borrowed money or for acquisition of assets by PublicCo or (ii) the incurrence of any obligation by PublicCo under a capital lease, the Manager shall issue securities or indebtedness of the Company to PublicCo that mirrors to the extent practicable the terms and conditions of such securities, indebtedness or capital lease obligation of PublicCo, as reasonably determined by the Manager.

5.2 Board of Directors.

5.2.1 Notwithstanding Section 5.1, the Manager may delegate its power to manage the business of the Company to a Board of Directors (the **"Board"**) which, subject to the resolutions adopted by the Manager from time to time, shall have the authority to exercise all such powers of the Company and do all such lawful acts and things as may be done by the Manager and as are not by statute or by this Agreement required to be exercised or done only by the Manager. The rights and duties of the members of the Board may not be assigned or delegated to any Person; provided that the officers specified in Section 5.4 shall act in accordance with the directions and authorizations of the Board; provided further that the Board may create committees, having such powers and performing such duties as may be assigned to it by the Board, to assist the Board and the officers in the governance of areas of importance to the Company.

5.2.2 Except as otherwise provided herein and to the extent that there has been a delegation of authority under Section 5.1.2, members of the Board shall possess and may exercise all the powers and privileges and shall have all of the obligations and duties to the Company and the Members granted to or imposed on directors of a corporation organized under the laws of the State of Delaware.

5.2.3 The number of directors shall be determined by the Manager and may be changed from time to time by the Manager. Each director shall be appointed by the Manager and shall serve in such capacity until the earlier of his or her resignation or removal (with or without cause) or replacement by the Manager.

5.2.4 No action, authorization or approval of the Board shall be required, necessary or advisable for the taking of any action by the Company that has been approved by the Manager. In the event that any action of the Manager conflicts with any action of the Board or any other Person, the action of the Manager shall control.

5.3 Board of Director Meetings.

5.3.1 Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board, but not less often than annually.

5.3.2 Special Meetings. Special meetings of the Board may be called by the Chief Executive Officer or any member of the Board on twenty-four (24) hours' notice to each director. Notice of a special meeting may be given by facsimile.

5.3.3 Telephonic Meetings. Members of the Board may participate in any regular or special meetings of the Board, by means of conference telephone or similar

communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 5.3.3 will constitute presence in person at such meeting.

5.3.4 Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or this Agreement. If a quorum is not present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time until a quorum shall be present. Notice of such adjournment shall be given to any director not present at such meeting.

5.3.5 Action Without Meeting. Unless otherwise restricted by this Agreement, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting and without prior notice if all members of the Board consent thereto in writing and such written consent is filed with the minutes of proceedings of the Board.

5.3.6 Board's Duty of Care. Except as provided in this Agreement, the director's duty of care in the discharge of his duties to the Company and the Members is limited to discharging his duties pursuant to this Agreement in good faith, with the care a corporate director of like position would exercise under similar circumstances, in the manner he reasonably believes to be in the best interests of the Company. In discharging his duties, the director shall not be liable to the Company or to any Member for any act or omission performed or omitted by such director in good faith on behalf of, or in connection with the business and affairs of, the Company and in a manner reasonably believed to be within the scope of authority conferred on such director by this Agreement, except that such director shall be liable in respect of any loss, damage, or claim incurred by such director by reason of such Person's fraud, deceit, reckless or intentional misconduct, gross negligence, or a knowing violation of law with respect to such acts or omissions.

5.4 Officers.

5.4.1 Number, Titles, and Qualification. The Company shall have such officers as may be necessary or desirable for the business of the Company. The officers of the Company may include a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Chief Financial Officer, a Secretary, one or more Assistant Secretaries, a Treasurer, and one or more Assistant Treasurers. The Chairman of the Board, Chief Executive Officer, President, Executive Vice Presidents, Senior Vice Presidents, and Chief Financial Officer shall be elected by the Manager or the Board. The Company shall have such other officers as may from time to time be appointed by the Manager, the Board, or the Chief Executive Officer. Each officer shall hold office until his or her successor is elected or appointed, as the case may be, and qualified or until his or her resignation or removal. Any number of offices may be held by the same person.

5.4.2 Removal. Any officer of the Company may be removed at any time, with or without cause, by the Manager, by the Chairman of the Board, by the Board, or, except as to the Chairman of the Board, President, Executive Vice Presidents, Senior Vice Presidents, and Chief Financial Officer, by the Chief Executive Officer.

5.4.3 Resignations. Any officer may resign at any time by giving written notice to the Company; provided, however, that notice to the Chairman of the Board, the Chief Executive Officer or the Secretary shall be deemed to constitute notice to the Company. Such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.4.4 Vacancies. Any vacancy among the officers, whether caused by death, resignation, removal or any other cause, shall be filled in the manner prescribed for election or appointment to such office.

5.4.5 Action with Respect to Securities of Other Entities. Unless otherwise directed by the Manager, the Board, the Chairman of the Board, the Chief Executive Officer or any other officer of the Company authorized by the Manager, the Chairman of the Board, or the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Company, in person or by proxy, at any meeting of stockholders or equity holders of or with respect to any action of stockholders or equity holders of any Person in which the Company may hold securities and otherwise to exercise any and all rights and powers which this Company may possess by reason of its ownership of securities in such Person.

5.4.6 Bonds of Officers. If required by the Manager, the Chairman of the Board, the Board, or the Chief Executive Officer, any officer of the Company shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Manager, the Chairman of the Board, the Board, or the Chief Executive Officer may require.

5.4.7 Compensation. The salaries of the officers shall be fixed from time to time by the Board, unless and until the Board appoints a Compensation Committee.

5.4.8 Officers of Operating Companies, Regions or Divisions. The Chief Executive Officer shall have the power to appoint, remove and prescribe the terms of office, responsibilities and duties of the officers of the operating companies, regions or divisions of the Company, other than those who are officers of the Company appointed by the Manager or the Board.

5.4.9 Duties and Authority of Officers.

(a) Chairman of the Board. The Chairman of the Board shall have general and active responsibility for the management of the business of the Company and shall be responsible for implementing all orders and resolutions of the Manager or the Board. The Chairman of the Board shall be elected from among the directors, and the Chairman of the Board or, at the election of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the Members and directors. The Chief Executive Officer shall report to the Chairman of the Board.

(b) Chief Executive Officer. The Chief Executive Officer shall supervise the daily operations of the business of the Company, and shall report to the Chairman of the Board. Subject to the provisions of this Agreement and to the direction of the Manager, the Chairman of the Board, or the Board, he or she shall perform all duties

which are commonly incident to the office of chief executive officer of a corporation organized under the laws of the State of Delaware or which are delegated to him or her by the Manager, the Chairman of the Board, or the Board. To the fullest extent permitted by law, he or she shall have power to sign all contracts and other instruments of the Company which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Company. The Chief Executive Officer shall perform the duties and exercise the powers of the Chairman of the Board in the event of the Chairman of the Board's absence or disability.

(c) President. The President shall have such powers and duties as may be delegated to him or her by the Manager, the Chairman of the Board, the Board, or the Chief Executive Officer. The President shall perform the duties and exercise the powers of the Chief Executive Officer in the event of the Chief Executive Officer's absence or disability.

(d) Vice President. Each Vice President shall have such powers and duties as may be delegated to him or her by the Manager, the Chairman of the Board, the Board, or the Chief Executive Officer.

(e) Chief Financial Officer. The Chief Financial Officer shall have responsibility for maintaining the financial records of the Company. He or she shall render from time to time an account of all such transactions and of the financial condition of the Company. The Chief Financial Officer shall also perform such other duties as the Manager, the Board, or the Chief Executive Officer may from time to time prescribe.

(f) Treasurer. The Treasurer shall have the responsibility for investments and disbursements of the funds of the Company as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties as the Manager, the Board, or the Chief Executive Officer may from time to time prescribe.

(g) The Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Members and the Board. He or she shall have charge of the corporate books and shall perform such other duties as the Manager, the Board, or the Chief Executive Officer may from time to time prescribe.

(h) Delegation of Authority. The Manager, the Chairman of the Board, the Board, or the Chief Executive Officer may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

5.5 Indemnification.

5.5.1 Indemnification. To the extent permitted by applicable law, a Member (and its respective officers, directors, agents, shareholders, members, partners, and Affiliates), Manager (and its respective officers, directors, agents, shareholders, members, partners, and Affiliates), director of the Company, or officer of the Company shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Person by reason of any act or omission performed or omitted by such Person in good faith on behalf of, or in connection with the business and affairs of, the Company and in a

manner reasonably believed to be within the scope of authority conferred on such Person by this Agreement and, if applicable, the Approval of the Members or authorizations of the Manager or the Board, except that no such Person shall be entitled to be indemnified in respect of any loss, damage, or claim incurred by such Person by reason of such Person's fraud, deceit, reckless or intentional misconduct, gross negligence, or a knowing violation of law with respect to such acts or omissions; provided, however, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, no debt shall be incurred by the Members in order to provide a source of funds for any indemnity, and no Member shall have any personal liability (or any liability to make any additional Capital Contributions) on account thereof.

5.5.2 Expenses. To the extent permitted by applicable law, expenses (including reasonable legal fees) incurred by a Member (and its respective officers, directors, agents, shareholders, members, partners or Affiliates), Manager (and its respective officers, directors, agents, shareholders, members, partners or Affiliates), director of the Company, or officer of the Company in such Person's capacity as such in defending any claim, demand, action, suit, or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding upon receipt by the Company of an undertaking by or on behalf of the Member (or its respective officers, directors, agents, shareholders, members, partners or Affiliates, as applicable), Manager (or its respective officers, directors, agents, shareholders, members, partners or Affiliates, as applicable), director or officer to repay such amount if it shall be determined that such Person is not entitled to be indemnified as authorized in Section 5.5.1 hereof.

5.6 Devotion of Time. Except as required by any individual contract and notwithstanding any provision to the contrary in this Agreement, no Manager, director of the Company, or officer of the Company is obligated to devote all of such Person's time or business efforts to the affairs of the Company, but shall devote such time, effort, and skill as such Person deems appropriate for the operation of the Company.

5.7 Competing Activities. Except as provided by any individual contract: (i) any Manager or Member (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) may engage or invest in, independently or with others, any business activity of any type or description, including without limitation those that might be the same as or similar to the Company's business or the business of any Subsidiary and that might be in direct or indirect competition with the Company or any Subsidiary; (ii) neither the Company or any Subsidiary nor any Member shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom; (iii) no Manager or Member (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) shall be obligated to present any investment opportunity or prospective economic advantage to the Company or any Subsidiary, even if the opportunity is of the character that, if presented to the Company or any Subsidiary, could be taken by the Company or any Subsidiary; and (iv) any Manager or Member (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) shall have the right to hold any investment opportunity or prospective economic advantage for such Manager's or Member's (and their respective officers', directors', agents', shareholders', members', partners' or Affiliates') own account or to recommend such opportunity to Persons other than the Company or any

Subsidiary; (i) provided that as a condition to election as Manager and receiving a Membership Interest in the Company upon consummation of the IPO, PublicCo agrees that until all outstanding shares of Class B Common Stock have been converted into shares of Class A Common Stock in accordance with Clause (b)(viii) of Article Fourth of PublicCo's certificate of incorporation as constituted as of the Class B Common Measuring Date, it shall not engage directly or indirectly, including without limitation through any Subsidiary, in any business other than (A) the Cable Transmission Business, (B) as a member or shareholder of, and subscriber to, the portal joint venture with Broadband Partners, (C) as an owner and operator of the business of Interactive Broadcaster Services Corporation, a California corporation, which shall include solely the ownership of its assets and continuation of its business substantially as owned and conducted as of September 13, 2000, (D) as a member of and service provider to the joint venture for the development of a licensable reference design for a cable set-top box with functionalities of a video cassette recorder and a personal video recorder, (E) as a member of Cable Sports, so long as Cable Sports continues to conduct substantially the same business conducted by it on October 24, 2000, (F) as a shareholder of HSA, so long as HSA continues to conduct substantially the same business as conducted by it at the time of the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of October 19, 2000 among Charter Communications Ventures, LLC, HSA and Vulcan Ventures Incorporated, as it may be amended from time to time, and (G) on and after February 12, 2001, as an equity investor in @Security Broadband Corp., a Texas corporation, so long as @Security Broadband Corp. continues to conduct substantially the same business conducted by it on February 1, 2001; (ii) provided further, that to the extent that, as of the Class B Common Measuring Date, PublicCo was directly or indirectly engaged in, or had agreed to acquire directly or indirectly, an Incidental Business, so long as (a) such Incidental Businesses so engaged in by PublicCo on the Class B Common Measuring Date in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total business engaged in by PublicCo, or (b) such Incidental Businesses which on the Class B Common Measuring Date PublicCo had agreed to acquire in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total businesses to be acquired, as applicable, PublicCo may, directly or indirectly, including through any Subsidiary, continue to conduct any such Incidental Business and the foregoing limitation on the business and purpose of PublicCo shall not require that any such Incidental Business be divested by PublicCo, but PublicCo shall not, directly or indirectly, expand any such Incidental Business by means of any acquisition or any commitment of PublicCo or its Subsidiaries' resources or financial support. PublicCo also agrees that it shall not (i) hold any assets, other than (a) working capital cash and cash equivalents held for the payment of current obligations and receivables from the Company; (b) Common Units; (c) back-to-back obligations and mirror equity interests of the Company, consisting of obligations and equity securities (other than Common Units, but including convertible securities), which are substantially equivalent to liabilities or obligations or securities of PublicCo to third parties; (d) assets subject to an existing obligation to contribute such assets (or successor assets) to the Company in exchange for Units; (e) assets acquired as a result of the issuance of (x) common stock of PublicCo and/or preferred stock of PublicCo and/or (y) liabilities or obligations of PublicCo, subject to an existing obligation to contribute such assets (or successor assets) to the Company in exchange for Common Units (in respect of the common stock of PublicCo issued) and/or for mirror equity securities (other than Common Units, but including convertible securities, in respect of the mirror equity securities issued) of the Company

and/or liabilities or obligations of the Company (in respect of the liabilities or obligations incurred), which are substantially equivalent to the equity securities and/or liabilities and obligations of PublicCo issued to acquire such assets; or (f) goodwill or deferred tax assets, or (ii) incur any liabilities or obligations for borrowed money, for acquisition of assets or under any capital lease, other than (a) in connection with back-to-back obligations of the Company to PublicCo consisting of liabilities or obligations of the Company which are substantially equivalent to liabilities or obligations of PublicCo to a third party; (b) liabilities or obligations incident to the acquisition of Units in exchange for common stock of PublicCo; or (c) liabilities or obligations as contemplated by Clauses (i)(d) and (e) immediately above. PublicCo further agrees (x) that it shall not issue, transfer from treasury stock or repurchase shares of its common stock unless in connection with any such issuance, transfer, or repurchase PublicCo takes all requisite action such that, after giving effect to all such issuances, transfers or repurchases, the number of outstanding shares of common stock will equal on a one-for-one basis the number of Common Units owned by PublicCo; (y) that it shall not issue, transfer from treasury stock or repurchase shares of preferred stock of PublicCo unless in connection with any such issuance, transfer or repurchase PublicCo takes all requisite action such that, after giving effect to all such issuances, transfers or repurchases, PublicCo holds mirror equity interests of the Company which are in the aggregate substantially equivalent to the outstanding preferred stock of PublicCo; and (z) upon any reclassification of the Common Units, whether by combination, division or otherwise, it shall take all requisite action so that the number of outstanding shares of common stock will equal on a one-for-one basis the number of Common Units owned by PublicCo.

The Company agrees that, until all outstanding shares of Class B Common Stock have been converted into shares of Class A Common Stock in accordance with Clause (b)(viii) of Article Fourth of PublicCo's certificate of incorporation as constituted as of the Class B Common Measuring Date, without the Approval of the Class A Common Members, (i) the Company shall not engage directly or indirectly, including without limitation through any Subsidiary, in any business other than (A) the Cable Transmission Business, (B) as a member or shareholder of, and subscriber to, the portal joint venture with Broadband Partners, (C) as an owner and operator of the business of Interactive Broadcaster Services Corporation, a California corporation, which shall include solely the ownership of its assets and continuation of its business substantially as owned and conducted as of September 13, 2000, (D) as a member of and service provider to the joint venture for the development of a licensable reference design for a cable set-top box with functionalities of a video cassette recorder and a personal video recorder, (E) as a member of Cable Sports, so long as Cable Sports continues to conduct substantially the same business conducted by it on October 24, 2000, (F) as a shareholder of HSA, so long as HSA continues to conduct substantially the same business as conducted by it at the time of the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of October 19, 2000 among Charter Communications Ventures, LLC, HSA and Vulcan Ventures Incorporated, as it may be amended from time to time, and (G) on and after February 12, 2001, as an equity investor in @Security Broadband Corp., a Texas corporation, so long as @Security Broadband Corp. continues to conduct substantially the same business conducted by it on February 1, 2001; and (ii) to the extent that, as of the Class B Common Measuring Date, the Company was directly or indirectly engaged in, or had agreed to acquire directly or indirectly, an Incidental Business, so long as (a) such Incidental Businesses so engaged in by the Company on the

Class B Common Measuring Date in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total business engaged in by the Company or (b) such Incidental Businesses which on the Class B Common Measuring Date the Company had agreed to acquire in the aggregate on such date accounted for less than ten percent (10%) of the consolidated revenues of the total businesses to be acquired, as applicable, the Company may, directly or indirectly, including through any Subsidiary, continue to conduct any such Incidental Business and the foregoing limitation on the business and purpose of the Company shall not require that any such Incidental Business be divested by the Company, but the Company shall not, directly or indirectly, expand any such Incidental Business by means of any acquisition or any commitment of the Company or its Subsidiaries' resources or financial support.

The Company and each Member acknowledge that the other Members, the Manager (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) and the officers or directors of the Company (to the extent expressly permitted in their employment agreement) might own or manage other businesses, including businesses that may compete with the Company or any Subsidiary for the time of the Member or Manager. Without limiting the generality of the foregoing, the Company and each Member acknowledge that Vulcan Ventures Inc., an Affiliate of CII and Vulcan Cable, entered into an agreement to purchase convertible preferred stock of RCN Corporation, which may be deemed to be engaged in the cable transmission business. The Company and each Member acknowledge that none of them shall have any interest in the securities of RCN Corporation to be acquired by Vulcan Ventures Inc. or any RCN Corporation common stock into which such securities are convertible, and that Vulcan Ventures Inc. shall not have any obligation to them on account thereof. To the extent that, at law or at equity, any Member or Manager (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) or officers or directors of the Company have duties (including fiduciary duties) and liabilities relating to the Company and the other Members, such Person shall not be liable to the Company or the other Members for its good faith reliance on the provisions of this Agreement including this Section 5.7. The Company and each Member hereby waive any and all rights and claims that the Company or such Member may otherwise have against the other Members and the Manager (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) or officers or directors of the Company as a result of any such permitted activities. The provisions of this Agreement, and any agreement between the Company and any Member entered into in reliance on this Section 5.7, to the extent that they restrict the duties and liabilities of a Manager or Member (and their respective officers, directors, agents, shareholders, members, partners or Affiliates) or officers or directors of the Company otherwise existing at law or in equity, are agreed by the Company and the Members to replace such other duties and liabilities of such Person.

5.8 Remuneration for Management or Other Services. The Manager, directors, and officers of the Company shall be entitled to reasonable remuneration for providing management or other services to the Company, all as determined by the Manager.

5.9 Reimbursement of Expenses. The Company shall reimburse the Manager, directors of the Company, and officers of the Company for the actual and reasonable costs, fees, and expenses paid or incurred by any Person for goods, materials, services, and activities acquired or used by or for the benefit of the Company, or performed or undertaken

for the benefit of the Company. Without limiting the generality of the foregoing, the Company shall reimburse PublicCo, for all costs, fees, and expenses paid or incurred by PublicCo in connection with the IPO and its compliance with the Securities Act, the Securities Exchange Act of 1934, as amended, the Investment Company Act of 1940, as amended, and any other applicable federal and state securities laws without duplication of any expense paid.

ARTICLE VI

ALLOCATIONS OF NET PROFITS AND NET LOSSES AND DISTRIBUTIONS

6.1 Allocations of Net Profits. After giving effect to the special allocations set forth in Sections 6.3 and 6.5 herein (and any allocations required by Section 3.6.6 herein), Net Profits for any Allocation Period shall be allocated to the Members as follows:

6.1.1 For any Allocation Period ending prior to the Class B Common Change Date, if the Company has Combined Book Losses for such Allocation Period, then:

(a) to each of the Common Members (including the Class A Common Members) other than the Class B Common Members, in an amount equal to (i) the amount of Net Profits, multiplied by (ii) such Common Member's Percentage Interest; and

(b) in addition to the amount allocated to the Class A Common Members pursuant to Section 6.1.1(a), to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of Net Profits, multiplied by (ii) the Class B Common Members' aggregate Percentage Interests.

6.1.2 For any Allocation Period ending after the Class B Common Change Date, if the Company has Combined Book Losses for such Allocation Period, then to each of the Common Members in accordance with such Common Member's Percentage Interest.

6.1.3 For any Allocation Period ending after the Class B Common Measuring Date, if the Company has Combined Book Profits for such Allocation Period and if there is any Special Allocation Amount as of the beginning of such Allocation Period, then:

(a) to each of the Common Members (including the Class A Common Members) other than the Class B Common Members, in an amount equal to (i) the amount of Net Profits, multiplied by (ii) such Common Member's Percentage Interest;

(b) in addition to the amount allocated to the Class A Common Members pursuant to Section 6.1.3(a), to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of Net Profits, multiplied by (ii) the product of the Class B Common Members' aggregate Percentage Interests and the Special Allocation Amount Ratio; provided, however, that the allocation of Net Profits pursuant to this Section 6.1.3(b) shall be subject to Section 6.4; and

(c) to the Class B Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of Net Profits multiplied by the Class B Common Members' aggregate Percentage Interests, minus (ii) the amount of Net Profits allocated to the Class A Common Members pursuant to Section 6.1.3(b) for such Allocation Period.

6.1.4 For any Allocation Period ending after the Class B Common Measuring Date, if the Company has Combined Book Profits for such Allocation Period and if there is no Special Allocation Amount as of the beginning of such Allocation Period, then to each of the Common Members in accordance with such Common Member's Percentage Interest.

6.2 Allocations of Net Losses. After giving effect to the special allocations set forth in Sections 6.3 and 6.5 herein (and any allocations required by Section 3.6.6 herein), Net Losses for any Allocation Period shall be allocated to the Members as follows:

6.2.1 For any Allocation Period ending prior to the Class B Common Change Date:

(a) to each of the Common Members (including the Class A Common Members) other than the Class B Common Members, in an amount equal to (i) the amount of Net Losses, multiplied by (ii) such Common Member's Percentage Interest; and

(b) in addition to the amount allocated to the Class A Common Members pursuant to Section 6.2.1(a), to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of Net Losses, multiplied by (ii) the Class B Common Members' aggregate Percentage Interests.

6.2.2 For any Allocation Period ending after the Class B Common Change Date, to each of the Common Members in accordance with such Common Member's Percentage Interest.

6.2.3 Notwithstanding Sections 6.2.1 and 6.2.2, an allocation of Net Losses under Section 6.2.1 or 6.2.2 hereof shall not be made to the extent it would create or increase an Adjusted Capital Account Deficit for a Member or Members at the end of any Allocation Period. Any Net Losses not allocated because of the preceding sentence shall be allocated to the other Member or Members in proportion to such Member's or Members' respective Percentage Interests; provided, however, that to the extent such allocation would create or increase an Adjusted Capital Account Deficit for another Member or Members at the end of any Allocation Period, such allocation shall be made to the remaining Member or Members in proportion to the respective Percentage Interests of such Member or Members.

6.3 Special Allocations. The following special allocations shall be made in the following order:

6.3.1 Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Article VI, if there is a net decrease in Company Minimum Gain during any Allocation Period, each

Member shall be specially allocated items of Company income and gain for such Allocation Period (and, if necessary, subsequent Allocation Periods) in an amount equal to the portion of such Member's share of the net decrease in Company Minimum Gain which share of such net decrease shall be determined in accordance with Regulations Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.3.1 is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

6.3.2 Member Minimum Gain Chargeback. Except as otherwise provided in Regulation Section 1.704-2(i)(4), notwithstanding any other provision of this Article VI, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt (which share shall be determined in accordance with Regulations Section 1.704-2(i)(5)) shall be specially allocated items of Company income and gain for such Allocation Period (and, if necessary, subsequent Allocation Periods) in an amount equal to that portion of such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4) and 1.704-2(j)(2). This Section 6.3.2 is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

6.3.3 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6) or any other event creates an Adjusted Capital Account Deficit, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 6.3.3 shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VI have been tentatively made as if this Section 6.3.3 were not in the Agreement.

6.3.4 Nonrecourse Deductions Referable to Liabilities Owed to Non-Members. Any Nonrecourse Deductions for any Allocation Period and any other deductions or losses for any Allocation Period referable to a liability owed by the Company to a Person other than a Member to the extent that no Member bears the economic risk of loss shall be specially allocated to the Members in accordance with their Percentage Interests.

6.3.5 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Allocation Period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt or other liability to

which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i) and Regulations Section 1.704-1(b).

6.3.6 Section 754 Adjustments. To the extent an adjustment to the Basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the Basis of the asset) or loss (if the adjustment decreases such Basis) and such gain or loss shall be specially allocated to the Members in accordance with Regulations Section 1.704-1(b)(2)(iv)(m).

6.3.7 Depreciation and Amortization. All of the remaining items of Company deduction for Depreciation for any Allocation Period shall be specially allocated to the Members as follows:

(a) For any Allocation Period ending prior to the Class B Common Change Date, if the Company has Combined Book Losses for such Allocation Period, then: (x) to each of the Common Members other than the Class A Common Members, the Class B Common Members, and the Class C Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Member's Percentage Interest; and (y) to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) the Class B Common Members' aggregate Percentage Interests.

(b) For any Allocation Period ending after the Class B Common Change Date, if the Company has Combined Book Losses for such Allocation Period, then to each of the Common Members other than the Class A Common Members and the Class C Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Member's Percentage Interest.

(c) For any Allocation Period ending after the Class B Common Measuring Date, if the Company has Combined Book Profits for such Allocation Period and if there is any Special Allocation Amount as of the beginning of such Allocation Period, then: (x) to each of the Common Members other than the Class A Common Members, the Class B Common Members, and the Class C Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Member's Percentage Interest; (y) to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) the product of the Class B Common Members' aggregate Percentage Interests and the Special Allocation Amount Ratio; provided, however, that the allocation of items pursuant to this Section 6.3.7(c)(y) shall be subject to Section 6.4; and (z) to the Class B Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of the item to be allocated multiplied by the Class B Common Members' aggregate Percentage Interests, minus (ii) the amount of such item allocated to the Class A Common Members pursuant to Section 6.3.7(c)(y) for such Allocation Period.

(d) For any Allocation Period ending after the Class B Common Measuring Date, if the Company has Combined Book Profits for such Allocation Period and if there is no Special Allocation Amount as of the beginning of such Allocation Period, then to each of the Common Members other than the Class A Common Members and the Class C Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Member's Percentage Interest.

(e) For any Allocation Period ending prior to the Class C Common Change Date, to each of the Class C Common Members in an amount determined as follows: The allocation provisions in this Article VI shall first be applied tentatively without taking into account any items of Depreciation, other than items of Depreciation allocated under Sections 6.3.4 and 6.3.5. Such tentative application of the allocation provisions shall result in a calculation of the amount of the taxable income or loss ("Tentative Taxable Income" or "Tentative Tax Loss," respectively) that would be allocated to each Class C Common Member by the Company if such tentative application were final. Next, items of Depreciation under this Section 6.3.7(e) shall be allocated to each Class C Common Member with Tentative Taxable Income to the extent necessary to cause the amount of the taxable income, excluding any taxable income arising from a sale or other disposition (other than in the ordinary course of business) of any Class C Common Contributed Property (to the extent that at the time of its contribution to the Company its Gross Asset Value differs from its Basis), allocated to such Member by the Company to be equal, or as nearly equal as possible, to zero. In allocating items of Depreciation to each Class C Common Member with Tentative Taxable Income pursuant to the preceding sentence, the Company shall, to the extent possible, allocate to such Member a uniform percentage of each item of Depreciation allocated under Section 6.3.7. If the allocation of items of Depreciation under this Section 6.3.7(e) is insufficient to reduce to zero such taxable income for each Class C Common Member, then such items shall be allocated to the Class C Common Members in proportion to their respective Tentative Taxable Incomes. No items of Deprecation under this Section 6.3.7(e) shall be allocated to any Class C Common Member with a Tentative Tax Loss. For purposes of this Section 6.3.7, the Company's taxable income or loss, as determined in accordance with Code Section 703(a), shall include all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1). With respect to each of Blackstone BC Capital Partners, L.P., Blackstone BC Offshore Capital Partners, L.P., Blackstone Family Media Partnership III L.P., William J. Bresnan, and BCI (USA), LLC, if the allocation of items of Depreciation to such Member under the foregoing provisions of this Section 6.3.7(e), for any Allocation Period ending prior to the Class C Common Change Date, is insufficient to cause the amount of such Member's Alternative Minimum Tax (as hereinafter defined) to be equal, or as nearly equal as possible, to zero, then additional items of Depreciation shall be allocated to such Member under this Section 6.3.7(e) to the extent necessary to cause such result. To the extent practicable, such allocation of additional items of Depreciation shall be made in a manner consistent with the provisions governing the allocation of other items of Depreciation under this Section 6.3.7(e). For purposes of this Section 6.3.7(e), "Alternative Minimum Tax" means, with respect to such a Member, the amount of the tax imposed by Code Section 55(a) (as determined in accordance with Code Sections 55 through 59, inclusive), excluding any such tax attributable to a sale or other disposition (other than in the ordinary course of business) of any Class C Common Contributed Property (to the extent that at the time of its contribution to the Company its Gross Asset Value differs from its Basis), assuming that

such Member has no income, gain, loss, deduction, or other item to be taken into account for federal income tax purposes other than such Member's allocations from the Company.

(f) For any Allocation Period ending after the Class C Common Change Date, to each of the Class C Common Members in an amount determined as follows: The allocation provisions in this Article VI, excluding the provisions of Section 6.5 calling for offsetting special allocations to be made as a result of the operation of this Section 6.3.7(f), shall first be applied tentatively and with two hypothetical modifications. First, all items of Depreciation, other than items of Depreciation allocated under Section 6.3.5, shall be hypothetically allocated to the Members in accordance with their Percentage Interests. Second, tax allocations with respect to each Class C Common Contributed Property and to each property (other than cash) contributed by CII in exchange for Class A Common Units (in each case, to the extent that at the time of its contribution to the Company its Gross Asset Value differs from its Basis) shall be hypothetically made using the Remedial Method so as to eliminate distortions caused by the ceiling rule described in Regulations Section 1.704-3(b)(1), without changing the amount of the items of Depreciation (as determined under the rules of Regulations Section 1.704-1(b)(2)(iv)(g)(3)) that are hypothetically allocated pursuant to the preceding sentence and that are attributable to such Class C Common Contributed Property or to such property contributed by CII (in each case, to the extent that at the time of its contribution to the Company its Gross Asset Value differs from its Basis). Such tentative application of the allocation provisions shall result in a calculation of the amount of the Tentative Taxable Income or Tentative Tax Loss that would be allocated to each Class C Common Member by the Company if such tentative application, with the two hypothetical modifications described above, were final. Next, in lieu of the two hypothetical modifications described above, items of Depreciation under this Section 6.3.7(f) shall be allocated to each Class C Common Member so as to cause the amount of the taxable income or loss allocated to such Member by the Company (using the Traditional Method with respect to each Class C Common Contributed Property and to each property (other than cash) contributed by CII in exchange for Class A Common Units, in each case to the extent that at the time of its contribution to the Company its Gross Asset Value differs from its Basis) to be equal, or as nearly equal as possible, to that Member's Tentative Taxable Income or Tentative Tax Loss, whichever is applicable. For purposes of this Section 6.3.7, Class C Common Contributed Property includes certain underlying assets held directly or indirectly by the Company (e.g., the assets of CC VIII, LLC, a Delaware limited liability company, or its successor) to the extent that, for purposes of the application of Code Section 704(c) principles and Regulations Section 1.704-3, a Class C Common Member is treated as a contributing partner or its equivalent with respect to such assets.

(g) To the extent not allocated under (a), (b), (c), (d), (e) or (f) above, to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests.

If the aggregate amount of the items of Depreciation available to be allocated under this Section 6.3.7 for any Allocation Period is less than the sum of the items of Depreciation provided for under Section 6.3.7(a), (b), (c), or (d), on the one hand, and the items of Depreciation provided for under Section 6.3.7(e) or (f), on the other, then the items of Depreciation available to be allocated under this Section 6.3.7 for such Allocation Period shall be divided between Section 6.3.7(a), (b), (c), or (d), on the one hand, and Section

6.3.7(e) or (f), on the other, in proportion to the respective amounts of the items of Depreciation provided for under such Sections. Notwithstanding the foregoing provisions of this Section 6.3.7, an allocation of items of Depreciation under such provisions shall be subject to a limitation similar to that set forth in Section 6.2.3 (including the related provisions of Section 6.5.1), and in the event that such a limitation precludes any allocation, the Manager shall, to the extent possible, make appropriate adjustments in other allocations hereunder to take into account the effect of such limitation.

6.3.8 Preferred Return Allocations. All or a portion of the remaining items of Company income and, to the extent income is insufficient, gain shall be specially allocated to each Class A Preferred Member in an amount equal to the cumulative Class A Preferred Return Amount (with respect to which there has been no allocation under this Section 6.3.8) for any Class A Preferred Units (i) redeemed from such Member during the Allocation Period pursuant to Section 3.5.2 or 3.5.3, (ii) Transferred by such Member to PublicCo or any other Person pursuant to the Rifkin Contribution Agreement, the Rifkin Put Agreement or this Agreement, or (iii) with respect to which liquidating distributions are made pursuant to Article IX. If, in addition to items of income, items of gain are to be allocated pursuant to the foregoing sentence and the Company has items of both short-term capital gain and long-term capital gain, all of the Company's items of short-term capital gain shall be allocated before any items of long-term capital gain are allocated.

6.3.9 Non-Operating Profits and Non-Operating Losses. Non-Operating Profits and Non-Operating Losses for any Allocation Period shall be specially allocated to the Members as follows:

(a) If the Company has Non-Operating Profits for such Allocation Period and if, disregarding any allocations that may be made pursuant to Section 6.3.9(a)(y) for the current Allocation Period, there would be any Special Allocation Amount as of the end of such Allocation Period after all other allocations provided for in this Article VI were made (the "Tentative Special Allocation Amount"), then: (x) to each of the Common Members (including the Class A Common Members) other than the Class B Common Members, in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Common Member's Percentage Interest; (y) in addition to the amount allocated to the Class A Common Members pursuant to Section 6.3.9(a)(x), to the Class A Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) the product of the Class B Common Members' aggregate Percentage Interests and the Tentative Special Allocation Amount Ratio; and (z) to the Class B Common Members, to be allocated among them in proportion to their Percentage Interests, in an amount equal to (i) the amount of the item to be allocated multiplied by the Class B Common Members' aggregate Percentage Interests, minus (ii) the amount of such item allocated to the Class A Common Members pursuant to Section 6.3.9(a)(y) for such Allocation Period.

(b) If the Company has Non-Operating Profits for such Allocation Period and if there is no Tentative Special Allocation Amount as of the end of such Allocation Period, then to each of the Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Common Member's Percentage Interest.

(c) If the Company has Non-Operating Losses for such Allocation Period, then to each of the Common Members in an amount equal to (i) the amount of the item to be allocated, multiplied by (ii) such Common Member's Percentage Interest.

(d) Notwithstanding Section 6.3.9(c), an allocation of Non-Operating Losses under Section 6.3.9(c) hereof (i.e., a proportionate part of every item of gain and loss that otherwise would be allocated under Section 6.3.9(c)) shall not be made to the extent it would create or increase an Adjusted Capital Account Deficit for a Member or Members at the end of any Allocation Period. Any Non-Operating Losses not allocated because of the preceding sentence shall be allocated to the other Member or Members in proportion to such Member's or Members' respective Percentage Interests; provided, however, that to the extent such allocation would create or increase an Adjusted Capital Account Deficit for another Member or Members at the end of any Allocation Period, such allocation shall be made to the remaining Member or Members in proportion to the respective Percentage Interests of such Member or Members.

6.3.10 Imputed Interest. If any Member or an Affiliate of any Member is imputed any interest income from the Company, then (i) such Member shall be deemed to have made a Capital Contribution in an amount equal to the amount of the Company's imputed interest expenditures related thereto, and (ii) the Company's deductions attributable to such expenditures shall be specially allocated to such Member. If there are no such deductions, the Manager shall make appropriate adjustments in other allocations hereunder to cause the effect of any Code Section 704(b) book basis attributable to such expenditures to be allocated to such Member. Consistent with the foregoing principles, the Manager may, if appropriate, make similar allocations and adjustments in the case of interest income imputed from an Affiliate of the Company.

6.4 Certain Allocations to the Class A Common Members and the Class B Common Members. Notwithstanding any other provision of this Article VI (other than the Regulatory Allocations), the allocations to the Class A Common Members and the Class B Common Members shall be subject to the following provisions:

6.4.1 The allocations to the Class A Common Members of Net Profits pursuant to Section 6.1.3(b) and of items of Depreciation pursuant to Section 6.3.7(c)(y) shall be limited in amount and made in a manner such that the total amount of the net taxable income allocated to the Class A Common Members in respect of the aggregate allocations of Net Profits pursuant to Section 6.1.3(b), of items of Depreciation pursuant to Section 6.3.7(c)(y), and of Non-Operating Profits pursuant to Section 6.3.9(a)(y) (collectively, the "Special Profit Allocations") is no greater than the total amount of the net tax loss allocated to the Class A Common Members in respect of the aggregate Net Profits, Net Losses, and items of Depreciation allocated to the Class A Common Members pursuant to Sections 6.1.1(b), 6.2.1(b), and 6.3.7(a)(y), respectively (collectively, the "Special Loss Allocations").

6.4.2 In the event of the dissolution of the Company or the occurrence of any other event with respect to which the distribution rights of the Class A Common Members or the Class B Common Members are determined in whole or in part by reference to their Capital Account balances, the Special Loss Allocations (to the extent that they have

not previously been offset with Special Profit Allocations or special allocations of other items pursuant to this Section 6.4) shall be offset either with current Special Profit Allocations or, to the extent that such current Special Profit Allocations are insufficient, with special allocations between the Class A Common Members and the Class B Common Members, to the extent possible, of other items of Company income, gain, loss, or deduction. Capital Account adjustments shall be made to reflect such allocations before any distributions in connection with such events are made. The Manager shall make such offsetting special allocations of other items in whatever manner it determines appropriate so that, after such offsetting allocations are made: (i) the Capital Account balances of the Class A Common Members and the Class B Common Members are, to the extent possible, equal to the Capital Account balances such Members would have had if the Special Loss Allocations, the Special Profit Allocations, Sections 6.1.3(c), 6.3.7(c)(z), and 6.3.9(a)(z), and the exclusion of the Class B Common Members from Sections 6.1.1(a), 6.1.3(a), 6.2.1(a), 6.3.7(a)(x), 6.3.7(c)(x), and 6.3.9(a)(x) had not been part of this Agreement; and (ii) to the maximum extent consistent with attaining the Capital Account balances described in the preceding clause (i), the total amount of the net taxable income allocated to the Class A Common Members in respect of the aggregate Special Profit Allocations and special allocations of other items pursuant to this Section 6.4 is no greater than the total amount of the net tax loss allocated to the Class A Common Members in respect of the aggregate Special Loss Allocations.

6.4.3 In the event that Class A Common Units are transferred, directly or indirectly, to PublicCo as part of a Non-Recognition Transaction, if (i) the Special Loss Allocations have not been fully offset with prior or current Special Profit Allocations or special allocations of other items pursuant to this Section 6.4 and (ii) CII or Vulcan Cable so elects with respect to its Class A Common Units transferred as part of such Non-Recognition Transaction, then the Special Loss Allocations with respect to such Class A Common Units (to the extent that they have not been so offset) shall be offset with special allocations between the Class A Common Members and the Class B Common Members, to the extent possible, of other items of Company income, gain, loss, or deduction. The Manager shall make such offsetting special allocations of other items in whatever manner it determines appropriate so that, after such offsetting allocations are made: (i) the Capital Account balances of the Class A Common Members with respect to the Class A Common Units transferred as part of such Non-Recognition Transaction are, to the extent possible, equal to the Capital Account balances such Members would have had with respect to such Class A Common Units if the Special Loss Allocations, the Special Profit Allocations, Sections 6.1.3(c), 6.3.7(c)(z), and 6.3.9(a)(z), and the exclusion of the Class B Common Members from Sections 6.1.1(a), 6.1.3(a), 6.2.1(a), 6.3.7(a)(x), 6.3.7(c)(x), and 6.3.9(a)(x) had not been part of this Agreement; and (ii) to the maximum extent consistent with attaining the Capital Account balances described in the preceding clause (i), the total amount of the net taxable income allocated to the Class A Common Members with respect to such Class A Common Units in respect of the aggregate Special Profit Allocations and special allocations of items pursuant to this Section 6.4 is no greater than the total amount of the net tax loss allocated to the Class A Common Members with respect to such Class A Common Units in respect of the aggregate Special Loss Allocations.

6.4.4 For purposes of this Section 6.4, net taxable income allocated in respect of a Special Profit Allocation or a special allocation of another item pursuant to

Section 6.4.2 or 6.4.3 refers to the net taxable income that is allocated in respect thereof for the same Allocation Period for which such Special Profit Allocation or other special allocation is made.

6.4.5 If any special allocations of other items are made pursuant to Section 6.4.2 or 6.4.3, the Manager shall thereafter make appropriate adjustments in the determination of the Special Allocation Amount and any subsequent Special Profit Allocations so as to reflect that such special allocations of other items have had the effect of offsetting certain Special Loss Allocations.

6.4.6 If any Class A Common Units are redeemed by the Company or any additional Class A Common Units are issued, the Manager shall thereafter make appropriate adjustments in the determination of the Special Allocation Amount, any subsequent Special Profit Allocations, and any special allocations of other items pursuant to Section 6.4.2 or 6.4.3 so that (i) the Special Allocation Amount excludes any amount with respect to redeemed Units, and (ii) the proportion in which the Special Profit Allocations are allocated among the Class A Common Members takes into account that, as a result of the issuance of additional Class A Common Units, the Percentage Interest of the Member to which such Units were issued may need to be reduced for purposes of determining such Member's proper share of the Special Profit Allocations.

6.5 Curative Allocations.

6.5.1 The allocations set forth in Sections 6.2.3, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.6, and 6.3.9(d) (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. The allocations set forth in Section 6.3.7 are intended to effectuate certain agreements of the Members (such allocations other than the allocations set forth in Sections 6.3.7(a)(y) and 6.3.7(c)(y) are collectively referred to for purposes of this Section 6.5.1 as the "Depreciation Allocations"). It is the intent of the Members that, to the extent possible, the Regulatory Allocations and the Depreciation Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction to the extent provided by this Section 6.5.1. Therefore, subject to Section 6.5.2 but notwithstanding any other provision of this Article VI (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, a Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had (the "Target Capital Account") if the Regulatory Allocations and the Depreciation Allocations were not part of this Agreement and all Company items were allocated pursuant to Sections 6.1, 6.2.1, 6.2.2, 6.3.7(a)(y), 6.3.7(c)(y), 6.3.8, 6.3.9 (other than subsection (d) thereof), 6.3.10, and 6.4. In exercising its discretion under this Section 6.5.1, the Manager shall take into account any future Regulatory Allocations under Sections 6.3.1 and 6.3.2 that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 6.3.4 and 6.3.5.

6.5.2 The Manager shall implement the offsetting special allocations in Section 6.5.1 in such a manner that:

(a) For any Allocation Period covered by Section 6.3.7(e), no special allocations shall be made under Section 6.5.1 to either the Class A Common Members or the Class C Common Members to offset the allocations made as a result of the operation of Section 6.3.7(e), except in the event of the dissolution of the Company or the occurrence of any other event with respect to which the distribution rights of the Class A Common Members or the Class C Common Members are determined in whole or in part by reference to their Capital Account balances, in which case the special allocations to be made to the Class A Common Members, the Class C Common Members, or both, to offset the allocations arising as a result of the operation of Section 6.3.7(e) and the corresponding Capital Account adjustments shall be made before any distributions in connection with such events are made.

(b) For any Allocation Period covered by Section 6.3.7(f), the special allocations to be made under Section 6.5.1 to the Class A Common Members, the Class C Common Members, or both, to offset the allocations arising as a result of the operation of Section 6.3.7(f) shall be limited in amount and made in a manner such that the amount of the taxable income allocated to any Class C Common Member shall be no less than, and the amount of the tax loss allocated to any Class C Common Member shall be no greater than, that Member's Tentative Taxable Income or Tentative Tax Loss, respectively, for such Allocation Period; provided, however, that in the event of the dissolution of the Company or the occurrence of any other event with respect to which the distribution rights of the Class A Common Members or the Class C Common Members are determined in whole or in part by reference to their Capital Account balances, the foregoing limitations shall apply only to the extent consistent with attaining the Target Capital Accounts and such Capital Account adjustments shall be made before any distributions in connection with such events are made.

(c) In the case of the offsetting special allocations to be made to the Class A Common Members, the Class C Common Members, or both, arising as a result of the operation of Section 6.3.7(e), (i) the total amount of the increase in the taxable income allocated to the Class A Common Members as a result of such offsetting special allocations shall be no greater than the excess, if any, of the Allocated Tax Deductions over the Baseline Tax Deductions, and (ii) the total amount of the decrease in the taxable income allocated to the Class A Common Members as a result of such offsetting special allocations shall be no less than the excess, if any, of the Baseline Tax Deductions over the Allocated Tax Deductions; provided, however, that in the event of the dissolution of the Company or the occurrence of any other event with respect to which the distribution rights of the Class A Common Members or the Class C Common Members are determined in whole or in part by reference to their Capital Account balances, the foregoing limitations shall apply only to the extent consistent with attaining the Target Capital Accounts and such Capital Account adjustments shall be made before any distributions in connection with such events are made. For purposes of this Section 6.5.2(c), the "Allocated Tax Deductions" shall mean the total amount of the tax deductions allocated to the Class A Common Members in respect of the items of Depreciation allocated to the Class A Common Members pursuant to Section 6.3.7(g) for the Allocation Periods ending prior to the Class C Common Change Date, and the "Baseline Tax Deductions" shall mean the total amount of the tax deductions that would have been allocated to the Class A Common Members if items of Depreciation allocated under Section 6.3.7 had been allocated to the Class A Common Members in accordance with

their Percentage Interests for the Allocation Periods ending prior to the Class C Common Change Date.

(d) For purposes of Sections 6.5.2(b) and 6.5.2(c), an increase or decrease in taxable income or tax loss allocated in respect of an offsetting special allocation refers to the increase or decrease in taxable income or tax loss that is allocated in respect thereof for the same Allocation Period for which such offsetting special allocation is made.

6.6 Other Allocation Rules.

6.6.1 Allocation of Items Included in Net Profits and Net Losses. Whenever a proportionate part of the Net Profits or Net Losses is allocated to a Member, every item of income, gain, loss, or deduction entering into the computation of such Net Profits or Net Losses shall be credited or charged, as the case may be, to such Member in the same proportion.

6.6.2 Allocations in Respect of a Transferred Membership Interest. If any Membership Interest is transferred, or is increased or decreased by reason of the admission of a new Member or otherwise, during any Allocation Period of the Company, (i) such transfer of or increase or decrease in Membership Interest shall be deemed to have occurred as of the end of the day on which such transfer or increase or decrease occurs, and (ii) each item of income, gain, loss, deduction, or credit of the Company for such Allocation Period shall be allocated among the Members, as determined by the Manager in accordance with any method permitted by Code Section 706(d) and the Regulations promulgated thereunder in order to take into account the Members' varying interests in the Company during such Allocation Period.

6.7 Tax Allocations.

6.7.1 Code Section 704(c). The allocations specified in this Agreement shall govern the allocation of items to the Members for Code Section 704(b) book purposes, and the allocation of items to the Members for tax purposes shall be in accordance with such book allocations, except that solely for tax purposes and notwithstanding any other provision of this Article VI:

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members (including Members who succeed to the Membership Interest of any other Members or former members of the Company) so as to take account of any variation between the Basis of such property to the Company and its initial Gross Asset Value.

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Subsection 2 of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the Basis of such asset and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(c) The allocations described in (a) and (b) above shall be made in accordance with Regulations Section 1.704-3 using the Traditional Method.

6.7.2 Tax Credits. Tax credits, if any, shall be allocated among the Members in proportion to their Percentage Interests.

6.7.3 Excess Nonrecourse Liabilities. To the extent that the Company's "excess nonrecourse liabilities" within the meaning of Regulations Section 1.752-3(a)(3) are allocated among the Members in accordance with their interests in Company profits, the Members' interests in Company profits are, solely for purposes of making such allocation, in proportion to their Percentage Interests.

6.8 Obligations of Members to Report Consistently. The Members are aware of the income tax consequences of the allocations specifically set forth in this Article VI and hereby agree to be bound by such allocations in reporting their shares of Company income and loss for income tax purposes.

6.9 Distributions by the Company to Members. Prior to the occurrence of any event specified in Section 9.1, and subject to availability of funds, applicable law, and any limitations contained elsewhere in this Agreement (and after giving effect to any distributions required by Section 3.6.6 herein), Net Cash From Operations and Net Cash From Sales or Refinancings may be distributed at such times and in such amounts as may be approved by the Manager, to Common Members in proportion to their respective Percentage Interests.

6.10 Advances or Drawings. Distributions of money and property shall be treated as advances or drawings of money or property against a Member's distributive share of income and as current distributions made on the last day of the Company's taxable year with respect to such Member.

6.11 Distributees; Liability for Distributions. All distributions made pursuant to Section 6.9 shall be made only to the Persons who, according to the books and records of the Company, hold the Membership Interests in respect of which such distributions are made on the actual date of distribution. Neither the Company nor any Member, Manager, or officer shall incur any liability for making distributions in accordance with Section 6.9.

6.12 Form of Distributions. A Member, regardless of the nature of the Member's Capital Contributions, has no right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members.

6.13 Return of Distributions. Except for distributions made in violation of the Act or this Agreement, or as otherwise required by law, no Member shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company. Notwithstanding any provision of this Agreement to the contrary, a Member who receives a distribution from the Company shall have no liability to return any portion of such distribution after the expiration of three (3) years from the date of the distribution pursuant to Section 18-607(c) of the Act.

6.14 Limitation on Distributions. Notwithstanding any provision to the contrary in this Agreement, the Company shall not make a distribution to any Member on account of such Member's interest in the Company if such distribution would (i) violate Section 18-607 of the Act or other applicable law or (ii) breach, or with the passage of time or the giving of notice result in a breach of, any contractual covenants of the Company or its Subsidiaries (provided that the Company shall negotiate such covenants in good faith to permit distributions under Section 6.9).

6.15 Withholding. Any tax required to be withheld with respect to any Member under Section 1446 or other provisions of the Code, or under the law of any state or other jurisdiction, shall be treated for all purposes of this Agreement (i) as a distribution of cash to be charged against current or future distributions to which such Member would otherwise have been entitled, or (ii) if determined by the Manager in writing, as a demand loan to such Member bearing interest at a rate per annum equal to the rate of interest then announced by The Bank of New York as its prime commercial lending rate plus two hundred (200) basis points.

ARTICLE VII

TRANSFER OF INTERESTS

7.1 Transfer of Interests In General.

7.1.1 Conditions to Transfer. No Member shall be entitled to Transfer all or any part of such Member's Membership Interest unless all of the following conditions have been met: (a) the Company shall have received a written notice of the proposed Transfer, setting forth the circumstances and details thereof; (b) except for Transfers specifically authorized by Section 7.2.3, the Company shall (at its option) have received a written opinion from counsel reasonably satisfactory to the Company, which in the case of a permitted Transfer contemplated by Section 7.2 shall be the Company's counsel, in form and substance reasonably satisfactory to the Company, specifying the nature and circumstances of the proposed Transfer and any related transactions of which the proposed Transfer is a part, and based on such facts stating that the proposed Transfer and any related transactions will not be in violation of any of the registration provisions of the Securities Act, or any applicable state securities laws; (c) the Company shall have received from the transferee a written consent to be bound by all of the terms and conditions of this Agreement; (d) the Transfer will not result in the loss of any license or regulatory approval or exemption that has been obtained by the Company and is materially useful in the conduct of its business as then being conducted or proposed to be conducted; (e) the Transfer will not result in a material and adverse limitation or restriction on the operations of the Company taken as a whole; (f) the Company is reimbursed upon request for its reasonable out-of-pocket expenses, except in the case of a permitted Transfer contemplated by Section 7.2, in connection with the Transfer; (g) if the Transfer to the proposed transferee is not otherwise specifically authorized by Section 7.2, the Transfer has been approved by the Manager, which consent may be given or withheld, conditioned or delayed as the Manager may determine in its sole discretion; (h) if the proposed transferee is not a Member or the Transfer to the proposed transferee is not otherwise specifically authorized by Section 7.2, the Transfer receives the Approval of the Members; (i) the Transfer will not cause the

Company to be treated as a "publicly traded partnership" within the meaning of section 7704 of the Code, and (j) the Transfer will not cause the Company to be treated as an "investment company" within the meaning of section 3 of the Investment Company Act of 1940, as amended.

7.1.2 Pledges. Notwithstanding anything to the contrary in Section 7.1, a Member may pledge, grant a security interest in or otherwise encumber all or a portion of its Membership Interest, without compliance with Sections 7.1.1(g) and (h) but subject to the other provisions of Section 7.1, if prior thereto, the pledgee or secured party delivers to the Company a written agreement acknowledging receipt of a copy of this Agreement and unconditionally agreeing that any foreclosure of the pledge or security interest shall be treated as a Transfer of such Membership Interest to which all provisions of this Article VII apply.

7.1.3 Invalid Transfers. To the fullest extent permitted by law, Transfers in violation of this Section 7.1 or in violation of any other provision of this Article VII or this Agreement shall be null and void ab initio and of no effect whatsoever.

7.2 Permitted Transfers. Subject to the provisions of Section 7.1 (except with respect to the Transfers described in Sections 7.2.4 and 7.2.5), the Units may be Transferred under the following circumstances:

7.2.1 Class A Common Units. Class A Common Units may be Transferred to any Person, including without limitation, PublicCo or any Affiliate of CII or Vulcan Cable.

7.2.2 Class B Common Units. Class B Common Units may be Transferred to any Affiliate of PublicCo, CII, or Vulcan Cable.

7.2.3 Class C Common Units. Class C Common Units may be Transferred to the Bresnan Permitted Transferees, and Class C Common Units with respect to which any option pursuant to the Bresnan Put Agreement has been exercised and Paul G. Allen or the Company has breached its purchase obligations under such put agreements may be Transferred to any transferee; provided, however, that (i) each such transferee must agree to be bound by the terms of this Agreement and other applicable equity documents (including the Bresnan Exchange Agreement), (ii) each such transferee must represent that it is an accredited investor and give such other investment representations and other undertakings as are customarily given by Persons acquiring securities in a private placement, and (iii) the Transfer to such transferee must be effected pursuant to an exemption from registration under applicable securities laws.

7.2.4 Class A Preferred Units. Class A Preferred Units may be Transferred to any Person to which a Class A Preferred Member is permitted to assign its rights under the Rifkin Put Agreement in accordance with Section 10.9 thereof; provided, however, that (i) each such transferee agrees to be bound by the terms of the Agreement, (ii) each such transferee (x) represents that it is an accredited investor and gives such other investment representations and other undertakings as are customarily given by Persons acquiring securities in a private placement or (y) provides the Company with a written opinion of

counsel reasonably satisfactory to the Company that such Transfer would not result in a violation of the registration requirements of the Securities Act, and (iii) any such Transfer will not result in violation of the registration requirements of the Securities Act.

7.2.5 Transfer to Paul G. Allen, the Company, and Certain Other Transferees. Notwithstanding anything to the contrary in this Agreement, all Units shall be freely transferable without restriction to Paul G. Allen (or his Affiliates), the Company, or any other Person to which Units may be put pursuant to the Rifkin Put Agreement, or the Bresnan Put Agreement.

7.2.6 Transfers to PublicCo. Notwithstanding anything to the contrary in this Agreement, certain Persons may Transfer their Units to PublicCo in exchange for the Class A Common Stock or Class B Common Stock of PublicCo, pursuant to the terms of the Bresnan Exchange Agreement, the CII Exchange Agreement, and certain employee option/compensatory plans and agreements of the Company.

7.2.7 Admission of a Transferee as a Member. Each transferee (other than the Company) of a Transfer of a Membership Interest permitted by Section 7.2 shall be admitted to the Company as a Member of the Company upon completion of the Transfer in accordance with the conditions set forth in Sections 7.1 and 7.2.

7.3 Effective Date of Permitted Transfers. Any permitted Transfer of all or any portion of a Membership Interest shall be effective no earlier than the date following the date upon which the requirements of this Agreement have been met. Any Transfer, issuance, or redemption of all or any portion of a Membership Interest on any date shall be deemed to have occurred as of the end of such date.

7.4 Effect of Permitted Transfers. After the effective date of any Transfer of any part of a Membership Interest in accordance with this Agreement, the Membership Interest so Transferred shall continue to be subject to the terms, provisions, and conditions of this Agreement and any further Transfers shall be required to comply with all of the terms, provisions, and conditions of this Agreement. Any transferee of all or any portion of a Membership Interest shall take subject to the restrictions on Transfer imposed by this Agreement. Notwithstanding anything to the contrary in this Section 7.4, any part of a Membership Interest Transferred to the Company shall be deemed cancelled.

7.5 Substitution of Members. Except as provided in Section 7.2, a transferee of a Membership Interest shall not have the right to become a substitute Member until each of the following is true: (i) the requirements of Section 7.1.1 are satisfied; (ii) such Person executes an instrument satisfactory to the Members approving the transfer and to the Manager accepting and adopting the terms, provisions, and conditions of this Agreement, including without limitation Section 10.15 herein, with respect to the acquired Membership Interest; and (iii) such Person pays any reasonable out-of-pocket expenses of the Company in connection with such Person’s admission as a new Member. The admission of a substitute Member shall not result in the release of the Member who assigned the Membership Interest from any liability that such Member may have to the Company.

ARTICLE VIII

BOOKS AND RECORDS; ACCOUNTING; TAX MATTERS

8.1 Books and Records. The Manager shall cause the books and records of the Company to be kept, and the financial position and the results of its operations to be recorded, in accordance with generally accepted accounting principles; provided, however, that the Manager may, to the extent appropriate under applicable tax and accounting principles, maintain separate and corresponding records for book and tax purposes. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business.

8.2 Delivery to Members and Inspection.

8.2.1 Upon the request of any Member, the Manager shall make reasonably available to the requesting Member the Company's books and records; provided, however, that the Manager shall have the right to keep confidential from the Members, for such period of time as the Manager deems reasonable, any information which the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interest of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential.

8.2.2 Any request, inspection, or copying of information by a Member under this Section 8.2 may be made by that Person or that Person's agent or attorney.

8.3 Financial Statements.

8.3.1 General. The Manager shall provide any Member with such periodic operating and financial reports of the Company as such Member may from time to time reasonably request.

8.3.2 Annual Report. The Manager shall cause annual audited financial statements to be sent to each Member holding more than one Unit not later than 90 days after the close of the calendar year, but in the case of a Member holding more than one-tenth (1/10) of one percent (1%) of outstanding Common Units, in no event later than when PublicCo receives such statements. The report shall contain a balance sheet as of the end of the calendar year and an income statement and statement of cash flow for the calendar year. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and be accompanied by the report thereon of the independent accountants engaged by the Company.

8.4 Tax Returns. The Manager shall cause to be prepared at least annually information necessary for the preparation of the Members' federal and state income tax and information returns. The Manager shall send or cause to be sent to each Member, or as soon as practicable following the end of each Allocation Period, but in no event later than July 15, (i) such information as is necessary to complete such Member's federal and state income tax or information returns, and (ii) a schedule setting forth each Member's Capital Account balance as of the end of the most recent Allocation Period. The Manager shall cause the

income tax and information returns for the Company to be timely filed with the appropriate authorities. If a Member requests, the Company shall provide such Member with copies of the Company's federal, state, and local income tax or information returns for that year, tax-related schedules, work papers, appraisals, and other documents as reasonably required by such Member in preparing its tax returns.

8.5 Other Filings. The Manager also shall cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or restatements of, the Certificate and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations.

8.6 Bank Accounts. The Manager shall maintain the funds of the Company in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

8.7 Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Manager or the Board. The Manager or the Board may rely upon the advice of the Company's accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes or financial accounting purposes (as applicable).

8.8 Tax Matters.

8.8.1 Taxation as Partnership. The Company shall be treated as a partnership for tax purposes. The Company shall avail itself of any election or procedure under the Code or the Regulations and under state and local tax law, including any "check-the-box" election, for purposes of having an entity classified as a partnership for tax purposes, and the Members shall cooperate with the Company in connection therewith and hereby authorize the Manager, directors, and officers to take whatever actions and execute whatever documents are necessary or appropriate to effectuate the foregoing.

8.8.2 Elections; Tax Matters Partner. Subject to the provisions of this Agreement, the Manager shall from time to time cause the Company to make such tax elections as it deems to be necessary or appropriate. The Members hereby designate CII as the "tax matters partner" (within the meaning of Code Section 6231(a)(7)) to represent the Company in connection with all examinations of the Company's affairs by tax authorities, including without limitation resulting judicial and administrative proceedings, and shall expend Company funds for professional services and costs associated therewith.

8.8.3 Section 754 Election. At the request of a transferee of or other successor to any Units that takes a federal income tax basis in such Units greater than the proportionate share of the Basis of the Company's property with respect to such Units, the Manager shall cause the Company to make an election under Section 754 of the Code, unless the Manager determines that such an election should not be made because any Member who holds a number of Units (or other equity interests) at least as great as the number (or value) being transferred has a built-in federal income tax loss with respect to such Units (or other equity interests) held objects to such an election. If the Company elects, pursuant to Section 754 of the Code and any like provision of applicable state law, to

adjust the Basis of the Company's property or, if any other information is necessary to implement this Section 8.8.3, then each Member shall provide the Company with all information necessary to give effect to such elections and to implement such provisions.

ARTICLE IX

DISSOLUTION AND WINDING UP

9.1 Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs shall be wound up on the first to occur of the following:

(a) The entry of a decree of judicial dissolution pursuant to Section 18-802 of the Act;

(b) The Approval of the Members; provided, however, that prior to the beginning of the Put Period (as defined in the Bresnan Put Agreement), the Company will not be dissolved or liquidated without the consent of all Bresnan Holders, which consent shall not be unreasonably withheld; or

(c) The last remaining Member's ceasing to be a Member of the Company unless the Company is continued without dissolution in accordance with the Act.

9.2 Winding Up. Upon the occurrence of any event specified in Section 9.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Manager shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the assets and liabilities of the Company, shall either cause its assets to be sold to any Person or distributed to a Member, and if sold, as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.5 herein. All actions and decisions required to be taken or made by such Person(s) under this Agreement shall be taken or made only with the consent of all such Person(s).

9.3 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its fair market value to determine the gain or loss that would have been included in the amounts allocated pursuant to Article VI if such asset were sold for such value. Such gain or loss shall then be allocated pursuant to Article VI, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in such distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). Notwithstanding anything to the contrary in this Section 9.3, the Company shall not make distributions of non-cash assets to any Member who objects.

9.4 Determination of Fair Market Value. For purposes of Section 9.2 and 9.3, the fair market value of each asset of the Company shall be determined in good faith by the Manager, or if the Common Members holding more than one percent (1%) of all outstanding Common Units request, by an independent, third-party appraiser experienced in the valuation of the type of assets at issue, selected in good faith by the Manager and the

Common Members requesting such appraisal. The Company shall bear the costs of the appraisal.

9.5 Order of Distributions Upon Liquidation. After satisfying (whether by payment or reasonable provision for payment) the debts and liabilities of the Company to the extent required by law, including without limitation debts and liabilities to Members who are creditors of the Company to the extent permitted by law, the remaining assets shall be distributed to the Members in the following order:

9.5.1 First, to the Class A Preferred Members as of the date of distribution, pro rata to such Members in accordance with the respective sums of (i) their Class A Preferred Contributed Amounts in respect of the Class A Preferred Units then held by them, and (ii) the Class A Preferred Return Amounts with respect to such Units, until each such Member shall have received an amount equal to such sum with respect to such Member as of the date of distribution; provided, however, that no distribution shall be made pursuant to this Section 9.5.1 that creates or increases a Capital Account deficit for any Member which exceeds such Member's obligation deemed and actual to restore such deficit, determined as follows: Distributions shall first be determined tentatively pursuant to this Section 9.5.1 without regard to the Members' Capital Accounts, and then the allocation provisions of Article VI shall be applied tentatively as if such tentative distributions had been made. If any Member shall thereby have a deficit Capital Account which exceeds such Member's obligation (deemed or actual) to restore such deficit, the actual distribution to such Member pursuant to this Section 9.5.1 shall be equal to the tentative distribution to such Member less the amount of the excess to such Member; and

9.5.2 Second, to the Common Members in accordance with their positive Capital Account balances, after taking into account income and loss allocations for the Company's taxable year during which liquidation occurs.

Such liquidating distributions shall be made by the end of the Company's taxable year in which the Company is liquidated, or, if later, within ninety (90) days after the date of such liquidation.

9.6 Limitations on Payments Made in Dissolution. Each Member shall be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance. Notwithstanding that the assets of the Company remaining after payment of or due provision for all debts, liabilities, and obligations of the Company may be insufficient to return the Capital Contributions or share of Net Profits reflected in such Member's positive Capital Account balance, a Member shall have no recourse against the Company or any other Member.

9.7 Certificate of Cancellation. Upon completion of the winding up of the affairs of the Company, the Manager, as an authorized person, shall cause to be filed in the office of the Delaware Secretary of State, an appropriate certificate of cancellation.

9.8 Termination. The Company shall terminate when all of the assets of the Company have been distributed in the manner provided for in this Article IX, and the certificate of cancellation is filed in accordance with Section 9.7.

9.9 No Action for Dissolution. Except as expressly permitted in this Agreement and to the fullest extent permitted by law, a Member shall not take any voluntary action that directly causes a dissolution of the Company.

9.10 Bankruptcy or Incapacity of a Member. The bankruptcy (as defined in the Act) of a Member or the incapacity of a Member who is an individual shall not cause the Member to cease to be a Member of the Company, and upon such an event, the Company shall continue without dissolution.

ARTICLE X

MISCELLANEOUS

10.1 Complete Agreement. This Agreement (including any schedules or exhibits hereto), any documents referred to herein or therein (the **"Transaction Documents"**), and the Certificate contain the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth or referred to herein or in the Transaction Documents. Except for the Transaction Documents, this Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter.

10.2 Binding Effect. Subject to the provisions of this Agreement relating to transferability, this Agreement shall be binding upon and inure to the benefit of the Members, and their respective heirs, representatives, successors and permitted assigns.

10.3 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective heirs, representatives, successors and permitted assigns nor shall anything in this Agreement relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement.

10.4 Pronouns; Statutory References; Agreement References. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require. Any reference to the Code, the Regulations, the Act, or other statutes or laws shall include all amendments, modifications, or replacements of the specific sections and provisions concerned. Any reference to any agreement defined in Article I of this Agreement shall include all amendments, modifications, or replacements of the specific sections and provisions concerned.

10.5 Headings. All headings herein are inserted only for convenience and ease of reference and shall not be considered in the construction or interpretation of any provision of this Agreement.

10.6 References to this Agreement. Numbered or lettered articles, sections, and subsections herein contained refer to articles, sections, and subsections of this Agreement unless otherwise expressly stated.

10.7 Governing Law. This Agreement shall be enforced, governed by, and construed in accordance with the laws of the State of Delaware, regardless of the choice or conflict of laws provisions of Delaware or any other jurisdiction.

10.8 Severability. If any provision of this Agreement or the application of such provision to any Person or circumstance shall be held invalid, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid shall not be affected thereby.

10.9 Additional Documents and Acts. Each Member agrees to execute and deliver, from time to time, such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

10.10 Notices. Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement shall be in writing (which may include facsimile) and shall be deemed to have been given and received when delivered to the address specified by the party to receive the notice. The respective address of each Member shall be as set forth on Schedule A attached hereto. Any party may, at any time by giving five (5) days' prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice shall be given.

10.11 Amendments. Any amendment to this Agreement shall be adopted and be effective as an amendment hereto only upon the Approval of the Members; provided, however, (i) that this Agreement may not be amended in a manner that is adverse to the Class C Common Members, without the consent of Class C Common Members owning a majority of the Class C Common Units adversely affected, (ii) that this Agreement may not be amended in a manner that is adverse to the Class A Common Members, without the approval of the Class A Common Members owning a majority of the Class A Common Units adversely affected, and (iii) that this Agreement may not be amended (a) in a manner that is adverse to the Class A Preferred Members with respect to their redemption and preferred return rights under Section 3.5.2 or 3.5.3, transfer rights under Section 7.2.5, or liquidation rights under Section 9.5.1 or (b) in a manner that adversely alters any other expressly articulated rights of the Class A Preferred Members hereunder and that treats the Class A Preferred Members in a discriminatory manner vis-à-vis the Common Members, without the consent of Class A Preferred Members owning a majority of the Class A Preferred Units. Without limiting the generality of the foregoing, no consent of the Members, other than the Approval of the Members, shall be required to amend this Agreement (x) to issue additional Units or any other securities of the Company pursuant to the terms of this Agreement, (y) to admit additional Members in connection with any issuance of Units to such Persons pursuant to the terms of this Agreement, or (z) to subdivide or combine any outstanding Units pursuant to Section 3.6.1 of this Agreement. Each Member hereby irrevocably constitutes and appoints the Manager as its true and lawful attorney-in-fact, in its name, place, and stead, to make, execute, acknowledge, and file any duly adopted amendment to or restatement of this Agreement (solely to the extent that such Member's consent is not required under this Agreement). It is expressly intended by each Member that the power of attorney granted by the preceding sentence is coupled with an

interest, shall be irrevocable, and shall survive and not be affected by the subsequent disability or incapacity of such Member (or if such Member is a corporation, partnership, trust, association, limited liability company or other legal entity, by the dissolution or termination thereof).

10.12 No Interest in Company Property; Waiver of Action for Partition. No Member has any interest in specific property of the Company or any Subsidiary. Without limiting the foregoing, each Member irrevocably waives during the duration of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

10.13 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.14 Remedies Cumulative. The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Person may be lawfully entitled.

10.15 Investment Representation. Each Member hereby represents to, and agrees with, the other Members and the Company that such Member is acquiring the Membership Interest for investment purposes for such Member’s own account only and not with a view to or for sale in connection with any distribution of all or any part of the Membership Interest. No other Person will have any direct or indirect beneficial interest in or right to the Membership Interest.

10.16 Spousal Consent. Each Member who is a married individual shall, upon becoming a Member or, if later, upon becoming married, cause his spouse to execute a spousal consent in the form attached hereto as Schedule 10.16 and shall furnish such consent to the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first written above.

Charter Communications, Inc.

By: /s/ Marcy Lifton

Marcy Lifton, Vice President

Class A Preferred Members
Class A Common Members
Class C Common Members

By: Charter Communications, Inc., as an attorney-in-fact pursuant to Section 10.11 of the Existing LLC Agreement

By: /s/ Marcy Lifton

Marcy Lifton, Vice President

Accepting its appointment as the Manager of the Company under and to the extent provided in Section 5.1.1 of this Agreement:

Charter Investment, Inc.

By: /s/ Marcy Lifton

Marcy Lifton, Vice President

Charter Communications, Inc.

By: /s/ Marcy Lifton

Marcy Lifton, Vice President

SCHEDULE A

Members; Address; Number of Units

Member/Address	Class A Common	Class B Common	Class C Common	Class A Preferred	Class B Preferred	Class A Preferred Contributed Amount
Charter Investment, Inc. 12444 Powerscourt Drive, Suite 400 St. Louis, Missouri 63131 Attn: Jerald L. Kent	217,585,246					
Vulcan Cable III Inc. 110 110th Avenue, N.E., Suite 550 Bellevue, WA 98004 Attn: William D. Savoy	106,715,233					
Charter Communications, Inc. 12444 Powerscourt Drive, Suite 400 St. Louis, Missouri 63131 Attn: Jerald L. Kent		294,267,540			505,664	
BCI (USA), LLC c/o Bresnan Communications, Inc. 709 Westchester Avenue White Plains, New York 10604 Attn: Jeffrey S. DeMond and Robert V. Bresnan, Esq.			4,992,380			
William J. Bresnan c/o Bresnan Communications, Inc. 709 Westchester Avenue White Plains, New York 10604 Attn: Jeffrey S. DeMond and Robert V. Bresnan, Esq.			241,232			
Blackstone BC Capital Partners L.P. c/o The Blackstone Group 345 Park Avenue New York, New York 10154 Attn: Simon Lonergan			8,112,382			
Blackstone BC Offshore Capital Partners L.P. c/o The Blackstone Group 345 Park Avenue New York, New York 10154 Attn: Simon Lonergan			909,681			

Member/Address	Class A Common	Class B Common	Class C Common	Class A Preferred	Class B Preferred	Class A Preferred Contributed Amount
Blackstone Family Media Partnership III L.P. c/o The Blackstone Group 345 Park Avenue New York, New York 10154 Attn: Simon Lonergan			575,877			
CRM I Limited Partnership c/o Charles R. Morris III 4875 South El Camino Drive Englewood, CO 80111				325,412		$ 325,412
CRM II Limited Partnership, LLLP c/o Charles R. Morris III 4875 South El Camino Drive Englewood, CO 80111				1,127,321		$1,127,321
Charles R. Morris, III 4875 South El Camino Drive Englewood, CO 80111				1,553,469		$1,553,469

SCHEDULE 10.16

The undersigned is the spouse of _____ and acknowledges that _____ [he/she] has read the Amended and Restated Limited Liability Company Agreement **("Agreement")** of Charter Communications Holding Company, LLC, a Delaware limited liability company (the "Company"), dated as of _____, as amended or supplemented from time to time, and understands its provisions. The undersigned is aware that, by the provisions of the Agreement, _____ [he/she] and _____ [his/her] spouse have agreed to sell or transfer all _____ [his/her] Membership Interest in the Company, including any community property interest or quasi-community property interest, in accordance with the terms and provisions of the Agreement. The undersigned hereby expressly approves of and agrees to be bound by the provisions of the Agreement in its entirety, including, but not limited to, those provisions relating to the sales and transfers of Membership Interests and the restriction thereon. If the undersigned predeceases _____ [his/her] spouse when _____ [his/her] spouse owns any Membership Interest in the Company, _____ [he/she] hereby agrees not to devise or bequeath whatever community property interest or quasi-community property interest _____ [he/she] may have in the Company in contravention of the Agreement.

Date:_____

Signature:_____

Name:_____

Exhibit 10.10

AMENDMENT TO THE
CHARTER COMMUNICATIONS, INC.
2001 STOCK INCENTIVE PLAN

This Amendment (the "Amendment") to the Charter Communications Inc. 2001 Stock Incentive Plan, as amended through the date hereof (the "Plan"), is dated as of October 30, 2001.

Section 2.18 of the Plan is hereby amended in its entirety to read as follows:

2.18 "Fair Market Value" on any date means the average of the high and low sales prices of the Shares on such date on the principal national securities exchange on which such Shares are listed or admitted to trading or, if such Shares are not so listed or admitted to trading, the average of the high and low sales prices of the Shares on such date on the Nasdaq or other market on which such prices are regularly quoted or reported, or, if there have been no regularly quoted or reported high and low sales prices with respect to the Shares on such date, the Fair Market Value shall be the value established by the Committee in good faith.

The terms of the Plan shall remain in full force and effect without modification or amendment except as expressly set forth herein.