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

Form 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSACTION 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.)
12444 POWERSCOURT DRIVE -- SUITE 100 ST. LOUIS, MISSOURI	63131
(Address of principal executive offices)	(Zip Code)

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:
SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
CLASS A COMMON STOCK, $.001 PAR VALUE

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Aggregate market value of outstanding Class A Common Stock held by non-affiliates of the registrant at March 28, 2000 was $189.3 million based on the prices as computed by the NASDAQ National Market system as of that date. For purposes of this calculation only, affiliates are deemed to be directors and executive officers of the registrant and entities they control.

There were 222,039,746 shares of Class A Common Stock outstanding as of March 28, 2000. There were 50,000 shares of Class B Common Stock outstanding as of the same date.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the Proxy Statement for the 2000 Annual Meeting of Stockholders are incorporated by reference into Part III.

CHARTER COMMUNICATIONS, INC.
FORM 10-K -- FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
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This Annual Report on Form 10-K is for the year ended December 31, 1999. This Annual Report modifies and supersedes documents filed prior to this Annual Report. The SEC allows us to "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Annual Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report. In this Annual Report, "we," "us" and "our" refer to Charter Communications, Inc., Charter Communications Holding Company, LLC and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This Annual 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 Annual 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 Annual Report are set forth in this Annual Report and in other reports or documents that we file from time to time with the SEC and include, but are not limited to:

- Our plans to achieve growth by offering new products and services and through acquisitions and swaps;

- Our anticipated capital expenditures for our planned upgrades and the ability to fund these expenditures;

- Our beliefs regarding the effects of governmental regulation on our business; and

- Our ability to effectively compete in a highly competitive environment.

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

PART I

ITEM 1. BUSINESS.

INTRODUCTION

We are the fourth largest operator of cable systems in the United States, serving approximately 6.2 million customers, after giving effect to our pending acquisition.

Charter Communications, Inc. is a holding company whose principal asset is an approximate 40% equity interest, pro forma for the Bresnan acquisition, and a 100% voting interest in Charter Communications Holding Company, LLC. Charter Communications, Inc.'s only business is to act as the sole manager of Charter Communications Holding Company and its subsidiaries. As sole manager, Charter Communications, Inc. controls the affairs of Charter Communications Holding Company and its subsidiaries.

INITIAL PUBLIC OFFERING OF COMMON STOCK

In November 1999, Charter Communications, Inc. completed an initial public offering of 195,500,000 shares of its Class A common stock for total net proceeds of $3.57 billion. At that time, Paul G. Allen purchased 50,000 shares of high vote Class B common stock of Charter Communications, Inc. at the initial public offering price. In addition, at the closing of the initial public offering, Mr. Allen, through Vulcan Cable III Inc. invested $750 million in cash to purchase membership units from Charter Communications Holding Company at the initial public offering price, net of underwriters' discounts. These membership units are exchangeable at any time for shares of our Class A common stock. All of the proceeds from the public offering were used to purchase membership units in Charter Communications Holding Company, which used a portion of the funds received from us, along with funds received from Vulcan Cable III Inc. to pay a portion of the purchase prices of our Fanch, Falcon, Avalon and Bresnan acquisitions.

OUTSTANDING EQUITY INTERESTS OF CHARTER COMMUNICATIONS, INC. AND CHARTER COMMUNICATIONS HOLDING COMPANY

The following table sets forth information as of March 28, 1999 with respect to the outstanding shares of common stock of Charter Communications, Inc. and membership units in Charter Communications Holding Company as of the same date and pro forma for the exchange by certain sellers in the Bresnan acquisition of preferred membership units in an indirect subsidiary of Charter Communications Holding Company for common membership units in Charter Communications Holding Company on a one-for-one basis. All of the membership units in Charter Communications Holding Company are exchangeable for shares of Charter Communications, Inc. Class A common stock on a one-for-one basis at any time.

	COMMON SHARES IN CHARTER COMMUNICATIONS, INC.	MEMBERSHIP UNITS IN CHARTER COMMUNICATIONS HOLDING COMPANY			
		OUTSTANDING		PRO FORMA	
		NUMBER OF UNITS	PERCENTAGE OF TOTAL	NUMBER OF UNITS	PERCENTAGE OF TOTAL
Class A	222,039,746				
Class B	50,000				
Total	222,089,746				
Charter Communications, Inc.		222,089,746	39.6%	222,089,746	37.9%
Charter Investment, Inc		217,585,246	38.8	217,585,246	37.2
Vulcan Cable III Inc		106,715,233	19.0	106,715,233	18.2
Bresnan sellers		14,795,995	2.6	39,011,744	6.7
Total		561,186,220	100%	585,401,969	100.0%

CHARTER ORGANIZATIONAL STRUCTURE

Our organizational structure is complex. Consistent with the table above, the equity ownership percentages in Charter Communications Holding Company assume the exchange by certain sellers in the Bresnan acquisition of preferred membership units in an indirect subsidiary of Charter Communications Holding Company for common membership units in Charter Communications Holding Company on a one-for-one basis.

OWNERSHIP OF CHARTER COMMUNICATIONS, INC. Mr. Allen owns less than 1% of the outstanding capital stock of Charter Communications, Inc. and controls approximately 93.6% of the voting power of Charter Communications, Inc.'s capital stock. The remaining equity interest and voting control are held by the public. Mr. Allen's voting control arises from his ownership of Charter Communications, Inc.'s high vote Class B common stock, plus his ownership of Vulcan Cable III Inc., which owns membership units in Charter Communications Holding Company that are exchangeable for shares of high vote Class B common stock of Charter Communications, Inc.

VULCAN CABLE III INC. Mr. Allen owns 100% of the equity of Vulcan Cable III. Vulcan Cable III has a 18.2% equity interest and no voting rights in Charter Communications Holding Company. In August 1999, Mr. Allen, through Vulcan Cable III, contributed to Charter Communications Holding Company $500 million in cash. In September 1999, he contributed an additional $825 million through Vulcan Cable III of which approximately $644.3 million was in cash and approximately $180.7 million was in the form of equity interests Vulcan Cable III acquired in connection with the Rifkin acquisition. Upon each of these contributions, Vulcan Cable III received Charter Communications Holding Company membership units at a price per membership unit of $20.73. In addition, in November 1999, Mr. Allen, through Vulcan Cable III, made a $750 million cash equity contribution to Charter Communications Holding Company for which Vulcan Cable III received additional membership units at a price per membership unit of $18.24.

CHARTER INVESTMENT, INC. Charter Investment, Inc. has a 37.2% equity interest and no voting rights in Charter Communications Holding Company. Mr. Allen owns approximately 96.8% of the outstanding stock of

Charter Investment, Inc. The remaining 3.2% equity is beneficially owned by our founders, Jerald L. Kent, Barry L. Babcock and Howard L. Wood.

BRESNAN SELLERS. Under the terms of the Bresnan acquisition, some of the sellers received a portion of their purchase price in Charter Communications Holding Company common membership units rather than in cash. These common membership units are exchangeable for shares of Charter Communications, Inc. Class A common stock on a one-for-one basis. In addition, certain other Bresnan sellers received a portion of the purchase price in preferred membership units in an indirect subsidiary of Charter Communications, Inc. The preferred membership units are exchangeable for common Charter Communications Holding Company at any time on a one-for-one basis. These equity holders as a group have a 6.7% equity interest and no voting rights in Charter Communications Holding Company.

CHARTER COMMUNICATIONS HOLDING COMPANY, LLC. Charter Communications Holding Company is the direct 100% parent of Charter Communications Holdings. Charter Communications Holding Company is owned 37.9% by Charter Communications, Inc., 18.2% by Vulcan Cable III Inc., 37.2% by Charter Investment, Inc. and 6.7% by certain sellers in our Bresnan acquisition. All of the outstanding units in Charter Communications Holding Company are exchangeable for shares of Class A common stock of Charter Communications, Inc. on a one-for-one basis at any time. Charter Communications, Inc. has 100% of the voting power of Charter Communications Holding Company.

CHARTER COMMUNICATIONS HOLDINGS, LLC. Charter Holdings is a co-issuer of $3.575 billion aggregate principal of notes issued in March 1999 (referred to as the March 1999 Charter Holdings notes) and $1.532 billion aggregate principal amount of notes issued in January 2000 (referred to as the January 2000 Charter Holdings notes). Charter Holdings owns 100% of Charter Capital, the co-issuer of the notes. Charter Holdings also owns the various subsidiaries that conduct all of our cable operations, including the Charter, Falcon, Fanch, Avalon and Bresnan companies described below.

CHARTER COMMUNICATIONS HOLDINGS CAPITAL CORPORATION. Charter Capital is a wholly owned subsidiary of Charter Holdings and a co-issuer of the notes described in the preceding paragraph.

CHARTER COMPANIES. These companies are subsidiaries of Charter Holdings and own or operate all of the cable systems originally managed by Charter Investment, Inc. (namely Charter Communications Properties Holdings, LLC, CCA Group and CharterComm Holdings, LLC), the cable systems obtained through the merger of Marcus Cable Holdings, LLC with Charter Holdings and the cable systems we acquired in 1999 and 2000, other than the Falcon, Fanch, Avalon, and Bresnan systems described below. Charter Operating, a direct subsidiary of Charter Holdings, owns all of the Charter companies' operating subsidiaries and is the borrower under the Charter Operating credit facilities. The Charter Companies also include the issuers of the outstanding publicly held notes of Renaissance.

FALCON COMPANIES. These companies are subsidiaries of Charter Holdings and own or operate all of the cable systems acquired in the Falcon acquisition and Falcon Cable Communications, which is the borrower under the Falcon credit facilities.

FANCH COMPANIES. These companies are subsidiaries of Charter Holdings and own or operate all of the cable systems acquired in the Fanch acquisition and CC VI Operating, LLC, which is the borrower under the Fanch credit facilities.

AVALON COMPANIES. These companies are subsidiaries of Charter Holdings and own or operate all of the cable systems acquired in the Avalon acquisition, including CC Michigan, LLC and CC New England, LLC, which are the borrowers under the Avalon credit facilities. CC V Holdings, LLC (formerly Avalon Cable LLC) and CC V Holdings Finance, Inc. (formerly Avalon Cable Finance Holdings, Inc.) are co-issuers of the outstanding publicly held Avalon notes.

BRESNAN COMPANIES. These companies are subsidiaries of Charter Holdings and own or operate all of the cable systems acquired in the Bresnan acquisition and CC VIII Operating, LLC, which is the borrower under the Bresnan credit facilities.

OUR BUSINESS

We offer a full range of traditional cable television services. Our service offerings include the following programming packages:

- basic programming;

- expanded basic programming;

- premium service; and

- pay-per-view television programming.

We have begun to offer digital cable television services to customers in some of our systems. Digital technology enables cable operators to increase the number of channels a cable system can carry by permitting a significantly increased number of video signals to be transmitted over a cable system's existing bandwidth. Bandwidth is a measure of the information-carrying capacity. It is the range of usable frequencies that can be carried by a cable system.

We have also started to introduce a number of other new products and services, including interactive video programming, which allows information to flow in both directions, and high-speed Internet access to the World Wide Web. We are also exploring opportunities in telephony, which will integrate telephone services with the Internet through the use of cable. The introduction of these new services represents an important step toward the realization of our Wired World(TM) vision, where cable's ability to transmit voice, video and data at high speeds will enable it to serve as the primary platform for the delivery of new services to the home and workplace. We are accelerating the upgrade of our systems to more quickly provide these new services.

We have grown rapidly over the past five years. During this period, our management team has successfully completed 32 acquisitions, including twelve acquisitions since January 1, 1999, and a merger with Marcus Holdings in April 1999. In addition, we have expanded our customer base through significant internal growth. In 1999, our internal customer growth, without giving effect to the cable systems we acquired during that period, was 3.1%, compared to the national industry average of 1.8%. In 1998, our internal customer growth, without giving effect to the cable systems we acquired in that year, was 4.8%, more than twice the national industry average of 1.7%.

BUSINESS STRATEGY

Our objective is to increase our operating cash flow by increasing our customer base and the amount of cash flow per customer. To achieve this objective, we are pursuing the following strategies:

INTEGRATE AND IMPROVE ACQUIRED CABLE SYSTEMS. We seek to rapidly integrate acquired cable systems and apply our core operating strategies to raise the financial and operating performance of these acquired systems. Our integration process occurs in three stages:

System Evaluation. We conduct an extensive evaluation of each system we acquire. This process begins prior to reaching an agreement to purchase the system and focuses on the system's:

- demographic profile of the market as well as the number of homes passed and customers;

- business plan;

- customer service standards;

- management capabilities; and

- technological capacity and compatibility.

We also evaluate opportunities to consolidate headends and billing and other administrative functions. Based upon this evaluation, we formulate plans for customer service centers, plant upgrades, market positioning, new product and service launches and human resource requirements.

Implementation of Our Core Operating Strategies. To achieve our high standards for customer satisfaction and financial and operating performance, we:

- attract and retain high quality local management;

- empower local managers with a high degree of day-to-day operational autonomy;

- set key financial and operating benchmarks for management to meet, such as revenue and cash flow per subscriber, subscriber growth, customer service and technical standards; and

- provide incentives to all employees through grants of cash bonuses and equity options.

Ongoing Support and Monitoring. We provide local managers with regional and corporate management guidance, marketing and other support for implementation of their business plans. We monitor performance of our acquired cable systems on a frequent basis to ensure that performance goals can be met.

The turn-around in our Fort Worth system, which our management team began to manage in October 1998, is an example of our success in integrating newly acquired cable systems into our operations. We introduced a customer care team that has worked closely with city governments to improve customer service and local government relations, and each of our customer service representatives attended a training program. We also conducted extensive training programs for our technical and engineering, dispatch, sales and support, and management personnel. We held a series of sales events and service demonstrations to increase customer awareness and enhance our community exposure and reputation. We reduced the new employee hiring process from two to three weeks to three to five days. As a result of these and other actions taken by the Charter management team, relations with local franchising authorities are greatly improved, customer service has been significantly enhanced, and the number of customers and operating cash flow have increased.

OFFER NEW PRODUCTS AND SERVICES. We intend to expand the array of products and services we offer to our customers to implement our Wired World vision. Using digital technology, we plan to offer additional channels on our existing service tiers, create new service tiers, introduce multiple packages of premium services and increase the number of pay-per-view channels. We also plan to add digital music services and interactive program guides which are comprehensive guides to television program listings that can be accessed by network, time, date or programming genre. In addition, we have begun to roll out advanced services, including interactive video programming and high-speed Internet access, and we are currently exploring opportunities in telephony. We have entered into agreements with several providers of high-speed Internet and other interactive services, including High-Speed Access Corp., EarthLink Network, Inc., Excite@Home Corporation, Convergence.com, WorldGate Communications, Inc. and Wink Communications, Inc. We have recently entered into a joint venture with Vulcan Ventures Inc. and Go2Net, Inc. to deliver high-speed Internet portal services to our customers.

UPGRADE THE BANDWIDTH CAPACITY OF OUR SYSTEMS. We plan to spend approximately $5.6 billion from 2000 to 2002 for capital expenditures. Approximately $3.1 billion will be used to upgrade our systems to bandwidth capacity of 550 megahertz or greater. Upgrading to at least 550 megahertz of bandwidth capacity will allow us to:

- offer advanced services, such as digital television, Internet access and other interactive services;

- increase channel capacity up to 82 analog channels, or even more programming channels if some of our bandwidth is used for digital services; and

- permit two-way communication which will give our customers the ability to send and receive signals over the cable system so that high-speed cable services, such as Internet access, will not require a separate telephone line and will enable our systems to provide telephony services.

The remaining capital will be spent on plant extensions, new services, converters and system maintenance.

As of December 31, 1999, approximately 45% of our customers were served by cable systems with at least 550 megahertz bandwidth capacity, and approximately 30% of our customers had two-way communication capability. By year-end 2003, including the Bresnan cable systems and our pending acquisition, we expect that approximately 95% of our customers will be served by cable systems with at least 550 megahertz bandwidth capacity and two-way communication capability and approximately 86% of our customers will be served by cable systems with at least 750 megahertz bandwidth and two-way communication capability.

Our planned upgrades are designed to reduce the number of headends from 1,257 at year-end 1999, including the Bresnan acquisition and our pending acquisition, to 459 at year-end 2003. Reducing the number of headends will reduce headend equipment and maintenance expenditures and, together with other upgrades, will provide enhanced picture quality and system reliability. In addition, by year-end 2003, including the pending acquisition, we expect that approximately 90% of our customers will be served by headends serving at least 10,000 customers.

MAXIMIZE CUSTOMER SATISFACTION. To maximize customer satisfaction, we operate our business to provide reliable, high-quality products and services, superior customer service and attractive programming choices at reasonable rates. We have implemented stringent internal customer service standards which we believe meet or exceed those established by the National Cable Television Association, the Washington, D.C.-based trade association for the cable television industry. We believe that our customer service efforts have contributed to our superior customer growth, and will strengthen the Charter brand name and increase acceptance of our new products and services.

EMPLOY INNOVATIVE MARKETING. We have developed and successfully implemented a variety of innovative marketing techniques to attract new customers and increase revenue per customer. Our marketing efforts focus on tailoring Charter-branded entertainment and information services that provide value, choice, convenience and quality to our customers. We use demographic "cluster codes" to address messages to target audiences through direct mail and telemarketing. Cluster codes identify customers by marketing type such as young professionals, retirees or families. In addition, we promote our services on radio, in local newspapers and by door-to-door selling. In many of our systems, we offer discounts to customers who purchase multiple premium services such as Home Box Office or Showtime. We also have a coordinated strategy for retaining customers that includes televised retention advertising to reinforce the link between quality service and the Charter brand name and to encourage customers to purchase higher service levels. Successful implementation of these marketing techniques has contributed to internal customer growth rates in excess of the cable industry average in each year from 1996 through 1999 for the systems we owned in each of those years. We have begun to implement our marketing programs in all of the systems we have recently acquired.

EMPHASIZE LOCAL MANAGEMENT AUTONOMY WHILE PROVIDING REGIONAL AND CORPORATE SUPPORT AND CENTRALIZED FINANCIAL CONTROLS. Our local cable systems are organized into twelve operating regions. A regional management team oversees multiple local system operations in each region. We believe that a strong management presence at the local system level:

- improves our customer service;
- increases our ability to respond to customer needs and programming preferences;
- reduces the need for a large centralized corporate staff;
- fosters good relations with local governmental authorities; and
- strengthens community relations.

Our regional management teams work closely with both local managers and senior management in our corporate office to develop budgets and coordinate marketing, programming, purchasing and engineering activities. Our centralized financial management enables us to set financial and operating benchmarks and monitor performance on an ongoing basis. In order to attract and retain high quality managers at the local and regional operating levels, we provide a high degree of operational autonomy and accountability along with cash and equity-based compensation. Charter Communications Holding Company has a plan to distribute to directors, consultants and substantially all employees, including members of corporate management and key regional and system-level management personnel, options exercisable for up to 25,009,798 Charter Communications Holding Company membership units that are automatically exchanged for shares of Charter Communications, Inc. Class A common stock on a one-for-one basis.

CONCENTRATE OUR SYSTEMS IN TIGHTER GEOGRAPHICAL CLUSTERS. To improve operating margins and increase operating efficiencies, we regularly seek to improve the geographic clustering of our cable systems by selectively swapping our cable systems for systems of other cable operators or acquiring systems in close proximity to our systems. We believe that by concentrating our systems in clusters, we will be able to generate higher growth in revenues and operating cash flow. Clustering enables us to consolidate headends and spread fixed costs over a larger subscriber base. Charter Communications, Inc. and AT&T Broadband & Internet Services have entered into a non-binding letter of intent to exchange certain cable systems (referred to as the "Swap Transaction"). If completed, the Swap Transaction will allow us to improve the clustering of our cable systems in certain key markets. We are negotiating with several other cable operators whose systems we consider to be potential acquisition or swapping candidates.

RECENT EVENTS

ACQUISITIONS IN 1999 AND 2000

Since January 1, 1999, we have completed twelve acquisitions of cable systems. A summary of information regarding these acquisitions is as follows:

ACQUISITION	ACQUISITION DATE	PURCHASE PRICE (INCLUDING ASSUMED DEBT) (IN MILLIONS)	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999 CUSTOMERS	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999 REVENUES (IN THOUSANDS)
Renaissance Media Group LLC..............	4/99	$ 459	134,000	$ 62,428
American Cable Entertainment, LLC.........	5/99	240	69,000	37,216
Cable systems of Greater Media Cablevision, Inc.......................	6/99	500	176,000	85,933
Helicon Partners I, L.P. and affiliates...	7/99	550	171,000	85,224
Vista Broadband Communications, L.L.C.....	7/99	126	26,000	14,112
Cable system of Cable Satellite of South Miami, Inc.............................	8/99	22	9,000	4,859
Rifkin Acquisition Partners, L.L.L.P. and InterLink Communications Partners, LLLP..................................	9/99	1,460	463,000	219,878
Cable systems of InterMedia Capital Partners IV, L.P., InterMedia Partners and affiliates.........................	10/99	873+	420,000	179,259
		systems swap	(142,000)(a)	(53,056)(b)
			278,000	126,203
Cable systems of Fanch Cablevision L.P. and affiliates.........................	11/99	2,400	528,000	218,197
Falcon Communications, L.P...............	11/99	3,481	955,000	427,668
Avalon Cable of Michigan Holdings, Inc....	11/99	845(c)	258,000(c)	109,943(d)
Bresnan Communications Company Limited Partnership....................	2/00	3,100	686,000(e)	290,697(f)
Total.................................		$ 14,056	3,753,000	$1,682,358

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(a) As part of the transaction with InterMedia, we agreed to "swap" some of our non-strategic cable systems located in Indiana, Montana, Utah and northern Kentucky, representing 142,000 basic customers. We transferred cable systems with 112,000 customers to InterMedia in connection with this swap in October

1999. The remaining Indiana cable system, with customers totaling 30,000, was transferred in March 2000 after receipt of the necessary regulatory approvals.

(b) Includes revenues for all swapped InterMedia systems, except the retained Indiana system, for the nine months ended September 30, 1999, the date of the transfer of these systems, and includes revenues for the Indiana system for the year ended December 31, 1999.

(c) Includes approximately 5,400 customers served by cable systems that we acquired from certain former affiliates of Avalon in February 2000. The $845 million purchase price for Avalon includes the purchase price for these systems of approximately $13 million.

(d) Includes revenues of approximately $1.6 million related to cable systems acquired from certain former affiliates of Avalon.

(e) Includes approximately 19,400 customers served by cable systems acquired by Bresnan since December 31, 1999.

(f) Includes revenues of approximately $7.1 million related to the cable systems acquired by Bresnan since December 31, 1999.

ACQUISITION CRITERIA. Our primary criterion in considering acquisition and swapping opportunities is the financial return that we expect to ultimately realize. We consider each acquisition in the context of our overall existing and planned operations, focusing particularly on the impact on our size and scope and the ability to reinforce our clustering strategy, either directly or through future swaps or acquisitions. Other specific factors we consider in acquiring a cable system are:

- demographic profile of the market as well as the number of homes passed and customers within the system;

- per customer revenues and operating cash flow and opportunities to increase these financial benchmarks;

- proximity to our existing cable systems or the potential for developing new clusters of systems;

- the technological state of such system; and

- the level of competition within the local market.

We believe that there are significant advantages in increasing the size and scope of our operations, including:

- improved economies of scale in management, marketing, customer service, billing and other administrative functions;

- reduced costs for our cable plants and our infrastructure in general;

- increased leverage for negotiating programming contracts; and

- increased influence on the evolution of important new technologies affecting our business.

We believe that as a result of our acquisition strategy and our systems upgrade we will be well positioned to have cable systems with economies of scale sufficient to allow us to execute our strategy to expand the array of products and services that we offer to our customers as we implement our Wired World vision. We will continue to explore acquisitions and swaps of cable systems that would further complement our existing cable systems.

ACQUISITIONS COMPLETED IN 1999 AND 2000

MERGER WITH MARCUS HOLDINGS. On April 23, 1998, Mr. Allen acquired approximately 99% of the non-voting economic interests in Marcus Cable Company, L.L.C., and agreed to acquire the remaining interests in Marcus Cable. The aggregate purchase price was approximately $1.4 billion, excluding $1.8 billion in assumed liabilities. On February 22, 1999, Marcus Holdings was formed, and all of Mr. Allen's interests in Marcus Cable were transferred to Marcus Holdings on March 15, 1999. On March 31, 1999, Mr. Allen completed the acquisition of all remaining interests of Marcus Cable. On April 7, 1999, the holding company parent of the Marcus companies, Marcus Holdings, merged into Charter Holdings, which was the surviving entity of the merger. The subsidiaries of Marcus Holdings became subsidiaries of Charter Operating. During the period of obtaining the requisite regulatory approvals for the transaction, the Marcus systems came under common management with our subsidiaries in October 1998 pursuant to the terms of a management agreement.

The cable systems we acquired in the merger with Marcus are located in Wisconsin, Tennessee, North Carolina, Georgia, California, Alabama and Texas, has approximately 1,001,000 customers and is operated as part of our North Central, Southeast, Southern California, Gulf Coast and Metroplex regions. For the year ended December 31, 1999, Marcus had revenues of approximately $511.9 million.

RENAISSANCE. In April 1999, one of Charter Holdings' subsidiaries purchased Renaissance Media Group LLC for approximately $459 million, consisting of $348 million in cash and $111 million of assumed debt. Renaissance owns cable systems located in Louisiana, Mississippi and Tennessee, has approximately 134,000 customers and is operated as part of our Gulf Coast and Mid-South regions. For the year ended December 31, 1999, Renaissance had revenues of approximately $62.4 million.

AMERICAN CABLE. In May 1999, one of Charter Holdings' subsidiaries purchased American Cable Entertainment, LLC for approximately $240 million. American Cable owns cable systems located in California serving approximately 69,000 customers and is operated as part of our Southern California region. For the year ended December 31, 1999, American Cable had revenues of approximately $37.2 million.

GREATER MEDIA SYSTEMS. In June 1999, one of Charter Holdings' subsidiaries purchased certain cable systems of Greater Media Cablevision Inc. for approximately $500 million. The Greater Media systems are located in Massachusetts, have approximately 176,000 customers and are operated as part of our Northeast Region. For the year ended December 31, 1999, the Greater Media systems had revenues of approximately $85.9 million.

HELICON. In July 1999, one of Charter Holdings' subsidiaries acquired Helicon Partners I, L.P. and affiliates for approximately $550 million, consisting of $410 million in cash, $115 million of assumed debt, and $25 million in the form of preferred limited liability company interest of Charter-Helicon LLC, a direct wholly owned subsidiary of Charter Communications, LLC. Helicon owns cable systems located in Alabama, Georgia, New Hampshire, North Carolina, West Virginia, South Carolina, Tennessee, Pennsylvania, Louisiana and Vermont, and has approximately 171,000 customers. For the year ended December 31, 1999, Helicon had revenues of approximately $85.2 million.

VISTA AND CABLE SATELLITE. One of Charter Communications Holdings' subsidiaries acquired Vista Broadband Communications, LLC in July 1999 and acquired a cable system of Cable Satellite of South Miami, Inc. in August 1999. These cable systems are located in Georgia and southern Florida and serve a total of approximately 35,000 customers. The aggregate purchase price for these acquisitions was approximately $148 million in cash. For the year ended December 31, 1999, these systems had revenues of approximately $19.0 million.

RIFKIN. In September 1999, Charter Operating acquired Rifkin Acquisition Partners L.L.L.P. and InterLink Communications Partners, LLLP for a purchase price of approximately $1.46 billion, consisting of $1.2 billion in cash, $133.3 million in equity in Charter Communications Holding Company and $128.0 million in assumed debt.

Rifkin owns cable systems primarily in Florida, Georgia, Illinois, Indiana, Tennessee, Virginia and West Virginia, serving approximately 463,000 customers. For the year ended December 31, 1999, Rifkin had revenues of approximately $219.9 million.

INTERMEDIA SYSTEMS. In October 1999, Charter Communications, LLC purchased certain cable systems of InterMedia Capital Partners IV, L.P., InterMedia Partners and their affiliates in exchange for approximately $873 million in cash and certain of our cable systems. The InterMedia systems serve approximately 420,000 customers in North Carolina, South Carolina, Georgia and Tennessee. As part of this transaction, we agreed to "swap" some of our non-strategic cable systems serving approximately 142,000 customers in Indiana, Montana, Utah and northern Kentucky.

At the closing, we retained a cable system located in Indiana serving approximately 30,000 customers for which we were unable to timely obtain the necessary regulatory approvals of the system transfer. Such approval was subsequently obtained and the Indiana system assets were transferred in March 2000.

This transaction, including the transfer of the retained Indiana system, resulted in a net increase of 278,000 customers concentrated in our Southeast and Mid-South regions. For the year ended December 31, 1999, the InterMedia systems had revenues of approximately $179.3 million and $126.2 million on a pro forma basis reflecting disposed systems.

The cable systems acquired in the Bresnan acquisition are located in Michigan, Minnesota, Wisconsin and Nebraska and serve approximately 686,000 customers. For the year ended December 31, 1999, these systems had revenues of approximately $1682.4 million.

FANCH. In November 1999, Charter Communications Holding Company purchased the partnership interests of Fanch Cablevision of Indiana, L.P., specified assets of Cooney Cable Associates of Ohio, Limited Partnership, Fanch-JV2 Master Limited Partnership, Mark Twain Cablevision Limited Partnership, Fanch-Narragansett CSI Limited Partnership, North Texas Cablevision, Ltd., Post Cablevision of Texas, Limited Partnership and Spring Green Communications, L.P. and the stock of Tioga Cable Company, Inc., Cable Systems, Inc. and, indirectly, Hornell Television Service, Inc. for a total combined purchase price of approximately $2.4 billion in cash.

The cable systems acquired in this acquisition are located in Colorado, Indiana, Kansas, Kentucky, Michigan, Mississippi, New Mexico, Oklahoma, Texas and Wisconsin, and serve approximately 528,000 customers. For the year ended December 31, 1999, these systems had revenues of approximately $218.2 million.

FALCON. In November 1999, Charter Communications Holding Company purchased partnership interests in Falcon Communications, L.P. from Falcon Holding Group, L.P. and TCI Falcon Holdings, LLC, interests in a number of Falcon entities held by Falcon Cable Trust and Falcon Holding Group, Inc., specified interests in Enstar Communications Corporation and Enstar Finance Company, LLC held by Falcon Holding Group, L.P., and specified interests in Adlink held by DHN Inc.

The purchase price for the acquisition was approximately $3.5 billion, consisting of cash, $550 million in common membership units in Charter Communications Holding Company issued to certain of the Falcon sellers and $1.7 billion in assumed debt.

The Falcon cable systems are located in California and the Pacific Northwest, Missouri, North Carolina, Alabama and Georgia and serve approximately 955,000 customers. For the year ended December 31, 1999, these systems had revenues of approximately $427.7 million.

AVALON. In November 1999, Charter Communications Holding Company purchased directly and indirectly all of the equity interests of Avalon Cable of Michigan Holdings, Inc. from Avalon Cable Holdings LLC and Avalon Investors, L.L.C. for approximately $832 million, consisting of $558.2 million in cash and $273.8 million in assumed notes.

Avalon Cable operates primarily in Michigan and New England and serves approximately 252,000 customers. For the year ended December 31, 1999, Avalon Cable had revenues of approximately $109.9 million.

BRESNAN. In February 2000, Charter Communications Holding Company purchased Bresnan Communications Company Limited Partnership for a total purchase price of approximately $3.1 billion, consisting of cash, $1.0 billion in membership units in Charter Communications Holding Company and an indirect subsidiary of Charter Communications Holding Company and $964.4 million in assumed debt.

The cable systems acquired in the Bresnan acquisition are located in Michigan, Minnesota, Wisconsin and Nebraska and serve approximately 686,000 customers. For the year ended December 31, 1999, these systems and systems acquired by Bresnan since December 31, 1999 had revenues of approximately $290.7 million.

PENDING TRANSACTION

In March 2000, we entered into an agreement providing for the merger of Cablevision of Michigan, Inc., the indirect owner of a cable system in Kalamazoo, Michigan with and into us. As a result of this merger, we will become the indirect owner of the Kalamazoo system. The merger consideration of approximately $173 million will be paid in Class A common stock of Charter Communications, Inc. After the merger, we will contribute 100% of the equity interests of the direct owner of the Kalamazoo system to Charter Communications Holding Company in exchange for membership units. Charter Communications Holding Company will contribute the equity interests to Charter Holdings, which will in turn contribute the equity interests to a subsidiary. The Kalamazoo cable system has approximately 49,000 customers and had revenue of approximately $31.9 million for the year ended December 31, 1999. We anticipate that this transaction will close in the third quarter of 2000.

POSSIBLE SWAP TRANSACTION

On December 1, 1999, we entered into a non-binding letter of intent with AT&T Broadband & Internet Services to exchange certain cable systems. The Swap Transaction would involve cable systems owned by AT&T located in municipalities in Alabama, Georgia, Illinois and Missouri serving approximately 705,000 customers and certain of our cable systems located in municipalities in California, Connecticut, Massachusetts, Texas and other states serving approximately 631,000 customers. As part of the Swap Transaction, we would pay AT&T approximately $108 million in cash, which represents the difference in the agreed values of the systems being exchanged. The Swap Transaction is subject to the negotiation and execution of a definitive exchange agreement, regulatory approvals and other conditions typical in transactions of this type. We cannot assure you that the Swap Transaction will be completed.

PRODUCTS AND SERVICES

We offer our customers a full array of traditional cable television services and programming and we have begun to offer new and advanced high bandwidth services such as high-speed Internet access. We plan to continually enhance and upgrade these services, including adding new programming and other telecommunications services, and will continue to position cable television as an essential service.

TRADITIONAL CABLE TELEVISION SERVICES. As of December 31, 1999, pro forma for the Bresnan acquisition, approximately 85% of our customers subscribed to both "basic" and "expanded basic" service and generally receive a line-up of between 33 and 85 channels of television programming, depending on the bandwidth capacity of the system. Customers who pay additional amounts can also subscribe to additional channels, either individually or in packages of several channels, as add-ons to the basic channels. As of December 31, 1999, more than 22% of our customers subscribe to premium channels, with additional customers subscribing to other special add-on packages. We tailor both our basic channel line-up and our additional channel offerings to each system according to demographics, programming preferences, competition, price sensitivity and local regulation.

Our traditional cable television service offerings include the following:

- BASIC CABLE. All of our customers receive basic cable services which generally consist of local broadcast television, local community programming, including governmental and public access and limited satellite programming. For the year ended December 31, 1999, the average monthly fee was $13.54 for our basic service.

- EXPANDED BASIC CABLE. This expanded tier includes a group of satellite-delivered or non-broadcast channels such as Entertainment and Sports Programming Network (ESPN), Cable News Network (CNN) and Lifetime Television, in addition to the basic channel line-up. For the year ended December 31, 1999, the average monthly fee was $14.88 for our expanded basic service.

- PREMIUM CHANNELS. These channels provide unedited, commercial-free movies, sports and other special event entertainment programming. Home Box Office, Cinemax and Showtime are typical examples. We offer subscriptions to these channels either individually or in packages. For the year ended December 31, 1999, the average monthly fee was $6.15 per premium subscription.

- PAY-PER-VIEW. These channels allow customers to pay to view a single showing of a recently released movie, a one-time special sporting event or music concerts on an unedited, commercial-free basis. We currently charge a fee that ranges from $2.95 to $8.95 for movies. For special events, such as championship boxing matches, we have charged a fee of up to $54.95.

We have employed a variety of targeted marketing techniques to attract new customers by focusing on delivering value, choice, convenience and quality. We employ direct mail and telemarketing, using demographic "cluster codes" to target specific messages to target audiences. In many of our systems, we offer discounts to customers who purchase premium services on a limited trial basis in order to encourage a higher level of service subscription. We also have a coordinated strategy for retaining customers that includes televised retention advertising to reinforce the decision to subscribe and to encourage customers to purchase higher service levels.

NEW PRODUCTS AND SERVICES. A variety of emerging technologies and the rapid growth of Internet usage have presented us with substantial opportunities to provide new or expanded products and services to our customers and to expand our sources of revenue. The desire for such new technologies and the use of the Internet by businesses in particular have triggered a significant increase in our commercial market penetration. As a result, we are in the process of introducing a variety of new or expanded products and services beyond the traditional offerings of analog television programming for the benefit of both our residential and commercial customers. These new products and services include:

- digital television and its related enhancements;

- high-speed Internet access via cable modems installed in personal computers;

- WorldGate television-based Internet access, which allows customers to access the Internet through the use of our two-way capable cable plant without the need for a personal computer;

- interactive services, such as Wink, which adds interactivity and electronic commerce opportunities to traditional programming and advertising; and

- telephony and data transmission services, which are private network services interconnecting locations for a customer.

Cable television's high bandwidth allows cable to be well positioned to deliver a multitude of channels and/or new and advanced products and services. We believe that this high bandwidth will be a key factor in the successful delivery of these products and services.

DIGITAL TELEVISION. As part of upgrading our systems, we are installing headend equipment capable of delivering digitally encoded cable transmissions to a two-way digital-capable set-top converter box in the customer's home. This digital connection offers significant advantages. For example, we can compress the digital signal to allow the transmission of up to twelve digital channels in the bandwidth normally used by one analog channel. This will allow us to increase both programming and service offerings, including near video-on-demand for pay-per-view customers. We expect to increase the amount of these services purchased by our customers.

Digital services customers may receive a mix of additional television programming, an electronic program guide and up to 40 channels of digital music. The additional programming falls into four categories which are targeted toward specific markets:

- additional expanded basic channels, which are marketed in systems primarily serving rural communities;

- additional premium channels, which are marketed in systems serving both rural and urban communities;

- "multiplexes" of premium channels to which a customer previously subscribed, such as multiple channels of HBO or Showtime, which are varied as to time of broadcast or programming content theme and which are marketed in systems serving both rural and urban communities; and

- additional pay-per-view programming, such as more pay-per-view options and/or frequent showings of the most popular films to provide near video-on-demand, which are more heavily marketed in systems primarily serving both rural and urban communities.

As part of our pricing strategy for digital services, we have established a retail rate of $4.95 to $8.95 per month for the digital set-top converter and the delivery of "multiplexes" of premium services, additional pay-per-view channels, digital music and an electronic programming guide. Some of our systems also offer additional expanded basic tiers of service. These tiers of services retail for $3.95 per month each or $8.95 for all three tiers. As of December 31, 1999, pro forma for the Bresnan acquisition, more than 155,400 of our customers subscribed to the digital service offered in 85 markets. As of December 31, 1999, pro forma for the acquisition of Bresnan, approximately 4.7 million of our customers were served by cable systems capable of delivering digital services. By year-end 2000, we anticipate that digital services will pass approximately 7.0 million homes.

INTERNET ACCESS. We currently provide Internet access to our customers by two principal means:

- via cable modems attached to personal computers, either directly or through an outsourcing contract with an Internet service provider; and

- through television access, via a service such as WorldGate.

We also provide Internet access in some markets through traditional dial-up telephone modems, using a third party service provider.

The principal advantage of cable Internet connections is the high speed of data transfer over a cable system. We currently offer these services to our residential customers over coaxial cable at speeds that can range up to approximately 50 times the speed of a conventional telephone modem. Furthermore, a two-way communication cable system using a hybrid fiber optic/coaxial structure can support the entire connection at cable modem speeds without the need for a separate telephone line. If the cable system only supports one-way signals from the headend to the customer, the customer must use a separate telephone line in order to send signals to the provider, although such customer still receives the benefit of high speed cable access when downloading information, which is the primary reason for using cable as an Internet connection. In addition to Internet access over our traditional coaxial system, we also provide our commercial customers fiber optic cable access at a price that we believe is less than the price offered by the telephone companies.

In the past, cable Internet connections have provided customers with widely varying access speeds because each customer accessed the Internet by sending and receiving data through a node. Users connecting simultaneously through a single node share the bandwidth of that node, so that users' connection speeds may diminish as additional users connect through the same node. To induce users to switch to our Internet services, we guarantee our cable modem customers the minimum access speed selected from several speed options we offer. We also provide higher guaranteed access speeds for customers willing to pay an additional cost. In order to meet these guarantees, we are increasing the bandwidth of our systems and "splitting" nodes easily and cost-effectively to reduce the number of customers per node.

CABLE MODEM-BASED INTERNET ACCESS. We have deployed cable modem-based Internet access services in 84 markets including: Los Angeles, California; St. Louis, Missouri; and Fort Worth, Texas.

As of December 31, 1999, pro forma for the Bresnan acquisition, we provided Internet access service to approximately 65,600 residential customers and 280 commercial customers. The following table indicates the projected availability, pro forma for the Bresnan acquisition, of cable modem-based Internet access services in our systems, as of the dates indicated. Only a small percentage of our customers currently subscribe to these services.

	HOMES MADE AVAILABLE FOR ADVANCED DATA SERVICES	
	DECEMBER 31, 1999 (PRO FORMA)	DECEMBER 31, 2000 (PROJECTED)
HIGH-SPEED INTERNET ACCESS VIA CABLE MODEMS:		
High Speed Access Corp	1,128,300	3,180,500
EarthLink/Charter Pipeline	708,700	772,700
Excite@Home	867,800	917,700
Convergence.com	263,200	--
In-House/Other	445,600	523,700
Total cable modems	3,413,600	5,394,600
Internet access via WorldGate	428,800	488,800

We have a relationship with High Speed Access Corp. to offer Internet access in some of our smaller systems. High Speed Access also provides Internet access services to our customers under the Charter Pipeline brand name. Although the Internet access service is provided by High Speed Access, the Internet "domain name" of our customer's e-mail address and web site, if any, is "Charter.net," allowing the customer to switch or expand to our other Internet services without a change of e-mail address.

High Speed Access provides three different tiers of service to us. The base tier is similar to our arrangements with EarthLink and Excite@Home, as described below. The turnkey tier bears all capital, operating and marketing costs of providing the service, and seeks to build economies of scale in our smaller systems that we cannot efficiently build ourselves by simultaneously contracting to provide the same services to other small geographically contiguous systems. The third tier allows for a-la carte selection of services between the base tier and the turnkey tier. As of December 31, 1999, pro forma for the Bresnan acquisition, we have made Internet access available to approximately 1,128,300 of our homes passed, and approximately 15,200 customers have signed up for the service. During 2000, we anticipate making available for service an additional 73 markets to High Speed Access, covering approximately 2,052,200 additional homes passed.

We have an agreement with EarthLink Network, Inc., an independent Internet service provider, to provide service marketed and branded Charter Pipeline(TM), which is a cable modem-based, high-speed Internet access service we offer. EarthLink and MindSpring Enterprises, Inc. merged in February 2000 creating the second-largest Internet service provider (ISP) in the United States. We currently charge a monthly usage fee of between $24.95 and $39.95. Our customers have the option to lease a cable modem for $10 to $15 a month or to purchase a modem for between $200 and $300. As of December 31, 1999, we made EarthLink Internet access available to approximately 708,700 homes passed and had approximately 10,500 customers who subscribed to this service.

We have a revenue sharing agreement with Excite@Home, under which Excite@Home provides Internet service to customers in our systems serving Fort Worth, University Park and Highland Park, Texas. The Excite@Home network provides high-speed, cable modem-based Internet access using our cable infrastructure. As of December 31, 1999, pro forma for the Bresnan acquisition, we have made Excite@Home available to approximately 867,800 of our homes passed and had approximately 18,200 customers who subscribed to this service.

We also have services agreements with Convergence.com under which Convergence.com provides Internet service to customers in systems acquired from Rifkin. The Convergence.com network provides high-speed, cable modem-based Internet access using our cable infrastructure. As of December 31, 1999, pro forma for the Bresnan acquisition, we have made available Convergence.com service to approximately 263,200 homes passed and had approximately 7,100 customers who subscribed to this service.

We actively market our cable modem service to businesses in each one of our systems where we have the capability to offer such service. Our marketing efforts are often door-to-door, and we have established a separate division whose function is to make businesses aware that this type of Internet access is available through us. We also provide several virtual local area networks for municipal and educational facilities in our Los Angeles cluster including California Institute of Technology located in Pasadena, the City of Pasadena and the City of West Covina.

TV-BASED INTERNET ACCESS. We have a non-exclusive agreement with WorldGate to provide its TV-based e-mail and Internet access to our cable customers. WorldGate's technology is only available to cable systems with two-way capability. WorldGate offers easy, low-cost Internet access to customers at connection speeds ranging up to 128 kilobits per second. For a monthly fee, we provide our customers with e-mail and Internet access that does not require the use of a PC, an existing or additional telephone line, or any additional equipment. Instead, the customer accesses the Internet through the set-top box, which the customer already has on his television set, and a wireless keyboard, that is provided with the service and which interfaces with the box. WorldGate works on advanced analog and digital converters and, therefore, can be installed utilizing advanced analog converters already deployed. In contrast, other converter-based, non-PC Internet access products require a digital platform and a digital converter prior to installation.

Customers who opt for television-based Internet access are generally first-time Internet users who prefer this more user-friendly interface. Although the WorldGate service bears the WorldGate brand name, the Internet domain names of the customers who use this service is "Charter.net." This allows the customers to switch or expand to our other Internet services without a change of e-mail address.

We first offered WorldGate to customers on the upgraded portion of our systems in St. Louis in April 1998. We are also currently offering this service in five other systems. In addition, we plan to introduce it in four additional systems during 2000. As of December 31, 1999, pro forma for the Bresnan acquisition, we provided WorldGate Internet service to approximately 7,100 customers.

INTERNET PORTAL SERVICES. On October 1, 1999, Charter Communications Holding Company, Vulcan Ventures, an entity controlled by Mr. Allen, and Go2Net, Inc. entered into a joint venture to form Broadband Partners, Inc. Broadband will provide access to the Internet through a "portal" to our customers on the digital service tier. A portal is an Internet web site that serves as a user's initial point of entry to the World Wide Web. By offering selected content, services and links to other web sites, a portal guides and directs users through the World Wide Web. In addition, the portal generates revenues from advertising on its own web pages and by sharing revenues generated by linked or featured web sites.

Revenue splits and other economic terms in this arrangement will be at least as favorable to us as terms between Broadband and any other parties. Charter Communications Holding Company has agreed to use Broadband's portal services exclusively for an initial six-year period that will begin when the portal services are launched, except that Charter Communications Holding Company's existing agreements with other Internet high-speed portal services and High Speed Access may run for their current term to the extent that such agreements do not allow for the carriage of content provided by Charter Communications Holding Company or Vulcan Ventures. The joint venture is for an initial 25-year term, subject to successive five-year renewals by mutual consent. Vulcan Ventures will own 55.2%, Charter Communications Holding Company will own 24.9% and Go2Net will own 19.9% of Broadband's equity interests, and Vulcan Ventures will have voting control over the Broadband entity. Broadband's board of directors will consist of three directors designated by Vulcan Ventures and one by each of Charter Communications Holding Company and Go2Net.

Each of Broadband's investors will be obligated to provide their pro rata share of funding for Broadband's operations and capital expenditures, except that Vulcan Ventures will fund our portion of Broadband's expenses for the first four years and will fund Go2Net's portion of Broadband's expenses to the extent Go2Net's portion exceeds budget for the first four years.

We believe that our participation in the Broadband joint venture will facilitate the delivery of a broad array of Internet products and services to our customers over the television through the use of an advanced digital set-top box or through the personal computer.

The Broadband joint venture has not yet established a timetable for a commercial launch of its portal services. However, we anticipate that alpha and beta testing of this Internet portal service will be completed during 2000. We do not anticipate that our participation in the joint venture will have a material adverse impact on our financial condition or results of operations for the foreseeable future.

WINK-ENHANCED PROGRAMMING. We have formed a relationship with Wink, which sells technology to embed interactive features, such as additional information and statistics about a program or the option to order an advertised product, into programming and advertisements. A customer with a Wink-enabled set-top box and a Wink-enabled cable provider sees an icon flash on the screen when additional Wink features are available to enhance a program or advertisement. By pressing the select button on a standard remote control, a viewer of a Wink-enhanced program is able to access additional information regarding such program, including, for example, information on prior episodes or the program's characters. A viewer watching an advertisement would be able to access additional information regarding the advertised product and may also be able to utilize the two-way transmission features to order a product. We have bundled Wink's services with our traditional cable services in both our advanced analog and digital platforms. Wink's services are provided free of charge. A company controlled by Mr. Allen has made an equity investment in Wink.

Various programming networks, including CNN, NBC, ESPN, HBO, Showtime, Lifetime, VH1, the Weather Channel, and Nickelodeon, are currently producing over 1,000 hours of Wink-enhanced programming per week. Under certain revenue-sharing arrangements, we will modify our headend technology to allow Wink-enabled programming to be offered on our systems. We receive fees from Wink each time one of our customers uses Wink to request certain additional information or order an advertised product.

TELEPHONE SERVICES. We expect to be able to offer cable telephony services in the near future using our systems' direct, two-way connections to homes and other buildings. We are exploring technologies using Internet protocol telephony, as well as traditional switching technologies that are currently available, to transmit digital voice signals over our systems. AT&T and other telephone companies have already begun to pursue strategic partnering and other programs which make it attractive for us to acquire and develop this alternative Internet protocol technology. For the last two years, we have sold telephony services as a competitive access provider in the state of Wisconsin through one of our subsidiaries, and are currently looking to expand our services as a competitive access provider into other states.

JOINT VENTURE WITH RCN CORPORATION. On October 1, 1999, Charter Communications Holding Company and RCN Corporation entered into a binding term sheet containing the principal terms of a non-exclusive joint venture to provide a broad range of telephony services to the customers of Charter Communications Holding Company's subsidiaries in its Los Angeles franchise territory. RCN is engaged in the businesses of bundling residential voice, video and Internet access operations, cable operations and certain long distance telephony operations. RCN is developing advanced fiber optic networks to provide a wide range of telecommunications services, including long distance telephone, video programming and data services, such as high-speed Internet access.

Charter Communications Holding Company will provide access to our Los Angeles customer base and will provide the capital necessary to develop telephony capability in Los Angeles. In addition, Charter Communications Holding Company will provide the necessary personnel to oversee and manage the telephony services. RCN will provide the necessary personnel and support services to develop and implement telephony services to be provided by Charter Communications Holding Company. We will pay RCN's fees at rates consistent with industry market compensation. We will have all rights to the telephony business and assets and will receive all revenues derived from the telephony business unless the parties expand RCN's role by mutual agreement. We believe that our telephony joint venture, together with Mr. Allen's investment in RCN, may allow us to take advantage of RCN's telephony experience as we deliver telephone services to our customers, although we cannot assure you that we will realize anticipated advantages.

The term sheet contains only the principal terms of this joint venture and provides that the parties will enter into definitive agreements, which will contain, among other terms, details of the compensation to be received by RCN. To date, we have only had preliminary discussions with RCN regarding specific operational matters and have not determined a timetable for the commencement of services by the joint venture. We do not anticipate that this joint venture will have a material impact on our financial condition or results of operations in the foreseeable future.

ALLOCATION OF BUSINESS OPPORTUNITIES WITH MR. ALLEN. Mr. Allen and a number of his affiliates have interests in various entities that provide services or programming to a number of our subsidiaries. Given the diverse nature of Mr. Allen's investment activities and interests, and to avoid the possibility of future disputes as to potential business, Charter Communications Holding Company and Charter Communications, Inc., under the terms of their respective organizational documents, may not, and may not allow their subsidiaries to, engage in any business transaction outside the cable transmission business except for the joint venture with Broadband Partners and incidental businesses engaged in as of the closing of the initial public offering of Charter Communications, Inc. This restriction will remain in effect until all of the shares of Charter Communications, Inc.'s high-vote Class B common stock have been converted into shares of Class A common stock due to Mr. Allen's equity ownership falling below specified threshholds.

Should Charter Communications, Inc. or Charter Communications Holding Company wish to pursue, or allow their subsidiaries to pursue, a business transaction outside of the cable transmission business, it must first offer Mr. Allen the opportunity to pursue the particular business transaction. If he decides not to do so and consents to our engaging in the business transaction, we will be able to do so. In any such case, the restated certificate of incorporation and the limited liability company agreement of Charter Communications, Inc. and Charter Communications Holding Company would be amended accordingly to appropriately modify the current restrictions on our ability to engage in any business other than the cable transmission business. The cable transmission business means the business of transmitting video, audio, including telephony, and data over cable television systems owned, operated or managed by us from time to time. Under Charter Communications, Inc.'s restated certificate of incorporation, the businesses of RCN Corporation, a company in which Mr. Allen has made a significant investment, are not considered cable transmission businesses under these provisions.

Under Delaware corporate law, each director of Charter Communications, Inc., including Mr. Allen, is generally required to present to Charter Communications, Inc. any opportunity he or she may have to acquire any cable transmission business or any company whose principal business is the ownership, operation or management of cable transmission businesses so that we may determine whether we wish to pursue such opportunities. However, Mr. Allen and the other directors generally will not have an obligation to present to Charter Communications, Inc. other business opportunities and they may exploit such opportunities for their own account.

OUR SYSTEMS

OPERATING REGIONS. To manage and operate our systems, we have established two divisions that contain a total of twelve operating regions. Each of the two divisions is managed by a Senior Vice President who reports directly to Mr. Kent, President and Chief Executive Officer, and is responsible for overall supervision of the operating regions within the division. Each region is managed by a team consisting of a Senior Vice President or a Vice President supported by operational, marketing and engineering personnel. Within each region, certain groups of cable systems are further organized into clusters. We believe that much of our success is attributable to our operating philosophy which emphasizes decentralized management, with decisions being made as close to the customer as possible.

The Western Division is comprised of the following regions: Central, North Central, MetroPlex (Dallas/ Fort Worth), Southern California, Northwest, Michigan and National. The Eastern Division is comprised of the following regions: Southeast, Mid-South, Northeast, Gulf Coast and Mid-Atlantic.

The following table provides an overview of customer data for each of our operating regions as of December 31, 1999, pro forma for the Bresnan acquisition, and our pending acquisition, after which our systems will pass approximately 9.9 million homes serving approximately 6.2 million customers.

CUSTOMER DATA AS OF DECEMBER 31, 1999

	CHARTER COMMUNICATIONS INC.	BRESNAN ACQUISITION	SUBTOTAL	CABLEVISION ACQUISITION	TOTAL
WESTERN DIVISION:					
Central	428,273	--	428,273	--	428,273
North Central	423,077	377,485	800,562	--	800,562
MetroPlex	188,132	--	188,132	--	188,132
Southern California	747,988	--	747,988	--	747,988
Northwest	370,619	--	370,619	--	370,619
Michigan	297,356	246,971	544,327	48,500	592,827
National	178,526	61,094	239,620	--	239,620
	2,633,971	685,550	3,319,521	48,500	3,368,021
EASTERN DIVISION:					
Southeast	960,152	--	960,152	--	960,152
Mid-South	543,076	--	543,076	--	543,076
Northeast	328,108	--	328,108	--	328,108
Gulf Coast	432,488	--	432,488	--	432,488
Mid-Atlantic	554,855	--	554,855	--	554,855
	2,818,679	--	2,818,679	--	2,818,679
Total	5,452,650	685,550	6,138,200	48,500	6,186,700

The following discussion provides a description of our operating regions as of December 31, 1999, giving effect to the Bresnan acquisition and our pending acquisition.

CENTRAL REGION. The Central region consists of cable systems serving approximately 428,000 customers of which approximately 255,000 customers reside in and around St. Louis County or in adjacent areas in Illinois. The remaining customers, approximately 173,000, reside in small to medium-sized communities in Missouri, Illinois and Indiana.

NORTH CENTRAL REGION. The North Central region consists of cable systems serving approximately 801,000 customers located throughout the states of Wisconsin and Minnesota. Approximately 518,000 and 283,000 customers reside in the states of Wisconsin and Minnesota, respectively. Within the state of Wisconsin, the two largest operating clusters are located in and around Madison, serving approximately 231,000 customers, and Fond du Lac, serving approximately 107,000 customers. Within the state of Minnesota, the two largest operating clusters are located in and around Rochester, serving approximately 142,000 customers, and St. Cloud, serving approximately 62,000 customers.

METROPLEX REGION. The MetroPlex region consists of cable systems serving approximately 188,000 customers of which approximately 132,000 are served by the Fort Worth, Texas system.

SOUTHERN CALIFORNIA REGION. The Southern California region consists of cable systems serving approximately 748,000 customers located in the state of California, with approximately 509,000 customers in the Los Angeles metropolitan area. These customers reside primarily in the communities of Pasadena, Alhambra, Glendale, Long Beach and Riverside. We also have approximately 239,000 customers in central California, principally located in the communities of San Luis Obispo, West Sacramento and Turlock.

NORTHWEST REGION. The Northwest region was formed in connection with the recent Fanch and Falcon acquisitions. After these acquisitions, the Northwest region consists of cable systems serving approximately 371,000 customers residing in the states of Oregon, Washington, Idaho, Utah and California. The two largest operating clusters in the Northwest region are located in and around Kennewick, Washington, serving approximately 85,000 customers and Medford, Oregon, serving approximately 72,000 customers.

MICHIGAN REGION. The Michigan region was formed in connection with the recent Fanch, Avalon, Falcon and Bresnan acquisitions. Pro forma for these acquisitions and the pending acquisition, the Michigan region will consist of cable systems serving approximately 593,000 customers. The largest operating cluster in the Michigan region is located in and around Bay City, Michigan serving approximately 132,000 customers.

NATIONAL REGION. The National region consists of cable systems serving approximately 240,000 customers residing in small to medium-sized communities in the states of Nebraska, Texas, New Mexico, North Dakota, Kansas, Colorado and Oklahoma. These systems are managed from our Fort Worth, Texas regional office.

SOUTHEAST REGION. The Southeast region consists of cable systems serving approximately 960,000 customers residing primarily in small to medium-sized communities in North Carolina, South Carolina, Georgia and Florida. There are significant clusters of cable systems in and around the cities and counties of Greenville/Spartanburg, South Carolina; Hickory and Asheville, North Carolina; and Atlanta, Georgia.

MID-SOUTH REGION. The Mid-South region consists of cable systems serving approximately 543,000 customers residing in the states of Tennessee and Kentucky. The Mid-South region has a significant cluster of cable systems in and around Kingsport, Tennessee serving approximately 124,000 customers.

NORTHEAST REGION. The Northeast region consists of cable systems serving approximately 328,000 customers residing in the states of Connecticut and Massachusetts. These systems serve the communities of Newtown and Willimantic, Connecticut, and areas in and around Pepperell and Worcester, Massachusetts.

GULF COAST REGION. The Gulf Coast region was formed in connection with the Fanch and Falcon acquisitions. The Gulf Coast region consists of cable systems serving approximately 432,000 customers residing in the states of Louisiana, Mississippi and Alabama. Within the state of Alabama, the two largest operating clusters are located in and around Birmingham, serving approximately 117,000 customers, and Montgomery, serving approximately 25,000 customers.

MID-ATLANTIC REGION. The Mid-Atlantic region consists of cable systems serving approximately 555,000 customers residing in the states of Virginia, West Virginia, Vermont, Ohio, Pennsylvania, New York and Maryland. The Mid-Atlantic region has significant clusters of cable systems in and around the cities of Charleston, West Virginia, serving approximately 189,000 customers, and Johnstown, Pennsylvania, serving approximately 77,000 customers.

The following table describes the current technological state of our systems and the anticipated progress of planned upgrades through 2003, based on the percentage of our customers who will have access to the bandwidth and other features shown:

	LESS THAN 550 MEGAHERTZ	550 MEGAHERTZ	750 MEGAHERTZ OR GREATER	TWO-WAY CAPABILITY
December 31, 1999.........................	55%	15%	30%	30%
December 31, 2000.........................	48%	14%	38%	38%
December 31, 2001.........................	30%	12%	58%	58%
December 31, 2002.........................	16%	10%	74%	74%
December 31, 2003.........................	5%	9%	86%	86%

We have adopted the hybrid fiber coaxial cable (HFC) architecture as the standard for our ongoing systems upgrades. HFC architecture combines the use of fiber optic cable, which can carry hundreds of video, data and voice channels over extended distances, with coaxial cable, which requires a more extensive signal amplification in order to obtain the desired transmission levels for delivering channels. In most systems, we deliver our signals via fiber optic cable to individual nodes serving a maximum of 500 homes or commercial buildings. Currently, our average node size is approximately 380 homes per node. Our HFC architecture consists of six strands of fiber to each node, with two strands activated and four strands reserved for future services. We believe that this network design provides high capacity and superior signal quality, and will enable us to provide the newest forms of telecommunications services to our customers. The primary advantages of HFC architecture over traditional coaxial cable networks include:

- increased channel capacity of cable systems;

- reduced number of amplifiers, which are devices to compensate for signal loss caused by coaxial cable, needed to deliver signals from the headend to the home, resulting in improved signal quality and reliability;

- reduced number of homes that need to be connected to an individual node, improving the capacity of the network to provide high-speed Internet access and reducing the number of households affected by disruptions in the network; and

- sufficient dedicated bandwidth for two-way services, which avoids reverse signal interference problems that can otherwise occur when you have two-way communication capability.

The HFC architecture will enable us to offer new and enhanced services, including:

- additional channels and tiers;

- expanded pay-per-view options;

- high-speed Internet access;

- wide area networks, which permit a network of computers to be connected together beyond an area;

- point-to-point data services, which can switch data links from one point to another; and

- digital advertising insertion, which is the insertion of local, regional and national programming.

The upgrades will facilitate our new services in two primary ways:

- Greater bandwidth allows us to send more information through our systems. This provides us with the capacity to provide new services in addition to our current services. As a result, we will be able to roll out digital cable programming in addition to existing analog channels offered to customers who do not wish to subscribe to a package of digital services.

- Enhanced design configured for two-way communication with the customer allows us to provide cable Internet services without telephone support and other interactive services, such as an interactive program guide, impulse pay-per-view, video-on-demand and Wink, that cannot be offered without upgrading the bandwidth capacity of our systems.

This HFC architecture will also position us to offer cable telephony services in the future, using either Internet protocol technology or switch-based technology, another method of linking communications.

FRANCHISES

As of December 31, 1999, our systems operated pursuant to an aggregate of approximately 3,670 franchises, permits and similar authorizations issued by local and state governmental authorities. As of December 31, 1999, pro forma for the acquisition of Bresnan, we held approximately 4,215 franchises in the aggregate. Each franchise is awarded by a governmental authority and is usually not transferable unless the granting governmental authority consents. Most franchises are subject to termination proceedings in the event of a material breach. In addition, most franchises require us to pay the granting authority a franchise fee of up to 5.0% of gross revenues generated by cable television services under the franchise (i.e., the maximum amount that may be charged under the Communications Act).

Our franchises have terms which range from four years to more than 32 years. Prior to the scheduled expiration of most franchises, we initiate renewal proceedings with the granting authorities. This process usually takes three years but can take a longer period of time and often involves substantial expense. The Communications Act provides for an orderly franchise renewal process in which granting authorities may not unreasonably withhold renewals. If a renewal is withheld and the granting authority takes over operation of the affected cable system or awards it to another party, the granting authority must pay the existing cable operator the "fair market value" of the system. The Communications Act also established comprehensive renewal procedures requiring that an incumbent franchisee's renewal application be evaluated on its own merit and not as part of a comparative process with competing applications. In connection with the franchise renewal process, many governmental authorities require the cable operator make certain commitments, such as technological upgrades to the system, which may require substantial capital expenditures. We cannot assure you, however, that any particular franchise will be renewed or that it can be renewed on commercially favorable terms. Our failure to obtain renewals of our franchises, especially those in major metropolitan areas where we have the most customers, would have a material adverse effect on our business, results of operations and financial condition.

The following table summarizes our systems' franchises by year of expiration, and approximate number of basic customers as of December 31, 1999.

YEAR OF FRANCHISE EXPIRATION	NUMBER OF FRANCHISES	PERCENTAGE OF TOTAL FRANCHISES	TOTAL BASIC CUSTOMERS(A)	PERCENTAGE OF TOTAL CUSTOMERS
Prior to December 31, 1999	116	3%	124,300	2%
2000 to 2002	862	24%	1,452,000	27%
2003 to 2005	847	23%	1,174,500	21%
2006 or after	1,844	50%	2,732,300	50%
Total	3,669	100%	5,483,100	100%

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(a) Includes approximately 30,000 customers served by an Indiana cable system that we did not transfer at the time of the InterMedia closing but transferred in March 2000.

Under the 1996 Telecom Act, state and local authorities are prohibited from limiting, restricting or conditioning the provision of telecommunications services. They may, however, impose "competitively neutral" requirements and manage the public rights-of-way. Granting authorities may not require a cable operator to provide telecommunications services or facilities, other than institutional networks, as a condition of an initial franchise grant, a franchise renewal, or a franchise transfer. The 1996 Telecom Act also limits franchise fees to an operator's cable-related revenues and clarifies that they do not apply to revenues that a cable operator derives from providing new telecommunications services.

We believe our relations with the franchising authorities under which our systems are operated are generally good. Substantially all of the material franchises relating to our systems which are eligible for renewal have been renewed or extended at or prior to their stated expiration dates.

CUSTOMER SERVICE AND COMMUNITY RELATIONS

Providing a high level of service to our customers has been a central driver of our historical success. Our emphasis on system reliability, engineering support and superior customer satisfaction is key to our management philosophy. In support of our commitment to customer satisfaction, we operate a 24-hour customer service hotline in most systems and offer on-time installation and service guarantees. It is our policy that if an installer is late for a scheduled appointment the customer receives free installation, and if a service technician is late for a service call the customer receives a $20 credit.

As of December 31, 1999, we maintained seventeen call centers located in our twelve regions, which are responsible for handling call volume for more than 53% of our customers. They are staffed with dedicated personnel who provide service to our customers 24 hours a day, seven days a week. We believe operating regional call centers allows us to provide "localized" service, which also reduces overhead costs and improves customer service. We have invested significantly in both personnel and equipment to ensure that these call centers are professionally managed and employ state-of-the-art technology. As of December 31, 1999, pro forma for the Bresnan acquisition, we employed approximately 2,920 customer service representatives. Our customer service representatives receive extensive training to develop customer contact skills and product knowledge critical to successful sales and high rates of customer retention. As of December 31, 1999, pro forma for the Bresnan acquisition, we had approximately 5,490 technical employees who are encouraged to enroll in courses and attend regularly scheduled on-site seminars conducted by equipment manufacturers to keep pace with the latest technological developments in the cable television industry. We utilize surveys, focus groups and other research tools as part of our efforts to determine and respond to customer needs. We believe that all of this improves the overall quality of our services and the reliability of our systems, resulting in fewer service calls from customers.

We are also committed to fostering strong community relations in the towns and cities our systems serve. We support many local charities and community causes in various ways, including marketing promotions to raise money and supplies for persons in need, and in-kind donations that include production services and free air-time on major cable networks. Recent charity affiliations include campaigns for "Toys for Tots," United Way, local theatre, children's museums, local food banks and volunteer fire and ambulance corps. We also participate in the "Cable in the Classroom" program, whereby cable television companies throughout the United States provide schools with free cable television service. In addition, we install and provide free basic cable service to public schools, government buildings and non-profit hospitals in many of the communities in which we operate. We also provide free cable modems and high-speed Internet access to schools and public libraries in our franchise areas. We place a special emphasis on education, and regularly award scholarships to employees who intend to pursue courses of study in the communications field.

SALES AND MARKETING

PERSONNEL RESOURCES. We have a centralized team responsible for coordinating the marketing efforts of our individual systems. For most of our systems with over 30,000 customers we have a dedicated marketing manager, while smaller systems are handled regionally. We believe our success in marketing comes in large part from new and innovative ideas and from good interaction between our corporate office, which handles programs and administration, and our field offices, which implement the various programs. We are also continually monitoring the regulatory arena, customer perception, competition, pricing and product preferences to increase our responsiveness to our customer base. Our customer service representatives are given the incentive to use their daily contacts with customers as opportunities to sell our new service offerings.

MARKETING STRATEGY. Our long-term marketing objective is to increase cash flow through deeper market penetration and growth in revenue per household. To achieve this objective and to position our service as an indispensable consumer service, we are pursuing the following strategies:

- increase the number of rooms per household with cable;

- introduce new cable products and services;

- design product offerings to enable greater opportunity for customer choices;

- utilize "tiered" packaging strategies to promote the sale of premium services and niche programming;

- offer our customers more value through discounted bundling of products;

- increase the number of residential consumers who use our set-top box, which enables them to obtain advanced digital services such as a greater number of television stations and interactive services;

- target households based on demographic data;

- develop specialized programs to attract former customers, households that have never subscribed and illegal users of the service; and

- employ Charter branding of products to promote customer awareness and loyalty.

We have innovative marketing programs which utilize market research on selected systems, compare the data to national research and tailor marketing programs for individual markets. We gather detailed customer information through our regional marketing representatives and use the Claritas geodemographic data program and consulting services to create unique packages of services and marketing programs. These marketing efforts and the follow-up analysis provide consumer information down to the city block or suburban subdivision level, which allows us to create very targeted marketing programs.

We seek to maximize our revenue per customer through the use of "tiered" packaging strategies to market premium services and to develop and promote niche programming services.

We regularly use targeted direct mail campaigns to sell these tiers and services to our existing customer base. We are developing an in-depth profile database that goes beyond existing and former customers to include all homes passed. This database information is expected to improve our targeted direct marketing efforts, bringing us closer toward our objective of increasing total customers as well as sales per customer for both new and existing customers. For example, using customer profile data currently available, we are able to identify customers who have children under a specified age and do not currently subscribe to The Disney Channel. We then target our marketing efforts with respect to The Disney Channel to those households. In 1998, we were chosen by Claritas Corporation, sponsor of a national marketing competition across all industries, as the first place winner in their media division, which includes cable systems operations, telecommunications and newspapers, for our national segmenting and targeted marketing program.

In 1998, we introduced a new package of premium services. Customers receive a substantial discount on bundled premium services of HBO, Showtime, Cinemax and The Movie Channel. We were able to negotiate favorable terms with premium networks, which allowed minimal impact on margins and provided substantial volume incentives to grow the premium category. The MVP package has increased our premium household penetration, premium revenue and cash flow. We are currently introducing this same premium strategy in the systems we have recently acquired.

We expect to continue to invest significant amounts of time, effort and financial resources in the marketing and promotion of new and existing services. To increase customer penetration and increase the level of services used by our customers, we use a coordinated array of marketing techniques, including door-to-door solicitation, telemarketing, media advertising and direct mail solicitation. We believe we have one of the cable television industry's highest success rates in attracting and retaining customers who have never before subscribed to cable television. Historically, these "nevers" are the most difficult customers to attract and retain.

PROGRAMMING SUPPLY

GENERAL. We believe that offering a wide variety of conveniently scheduled programming is an important factor influencing a customer's decision to subscribe to and retain our cable services. We devote considerable resources to obtaining access to a wide range of programming that we believe will appeal to both existing and potential customers of basic and premium services. We rely on extensive market research, customer demographics and local programming preferences to determine channel offerings in each of our markets.

PROGRAMMING SOURCES. We obtain basic and premium programming from a number of suppliers, usually pursuant to a written contract. As of December 31, 1999, we obtained approximately 64% of our programming through contracts entered into directly with a programming supplier. We obtained the rest of our programming through TeleSynergy, Inc., which offers its partners contract benefits in buying programming by virtue of volume discounts available to a larger buying base. Recent consolidation in the cable television industry coupled with our growth through acquisitions has reduced the benefits associated with our participation in TeleSynergy. As a result of our recent acquisitions, we reviewed our programming arrangements and terminated our agreement with TeleSynergy, effective January 31, 2000.

Programming tends to be made available to us for a flat fee per customer. However, some channels are available without cost to us. In connection with the launch of a new channel, we may receive a distribution fee to support the channel launch, a portion of which is applied to marketing expenses associated with the channel launch. The amounts we receive in distribution fees are not significant.

Our programming contracts generally continue for a fixed period of time, usually from three to ten years, and are subject to negotiated renewal. Although longer contract terms are available, we prefer to limit contracts to three years so that we retain flexibility to change programming and include new channels as they become available. Some program suppliers offer marketing support or volume discount pricing structures. Some of our programming agreements with premium service suppliers offer cost incentives under which premium service unit prices decline as certain premium service growth thresholds are met.

For home shopping channels, we receive a percentage of the amount spent in home shopping purchases by our customers on channels we carry. In 1998, cash receipts totaled approximately $220,000. In 1999, cash receipts totaled approximately $5.0 million.

PROGRAMMING COSTS. Our cable programming costs have increased in recent years and are expected to continue to increase due to factors including:

- system acquisitions;

- additional programming being provided to customers;

- increased cost to produce or purchase cable programming; and

- inflationary increases.

In every year we have operated, our costs to acquire programming have exceeded customary inflationary and cost-of-living type increases. Sports programming costs have increased significantly over the past several years. In addition, contracts to purchase sports programming sometimes contain built-in cost increases for programming added during the term of the contract which we may or may not have the option to add to our service offerings.

Under rate regulation of the Federal Communications Commission, cable operators may increase their rates to customers to cover increased costs for programming, subject to certain limitations. See "Regulation and Legislation." We believe we will, as a general matter, be able to pass increases in our programming costs through to customers, although we cannot assure you that it will be possible.

RATES

Pursuant to the Federal Communications Commission's rules, we have set rates for cable-related equipment, such as converter boxes and remote control devices, and installation services. These rates are based on actual costs plus an 11.25% rate of return. We have unbundled these charges from the charges for the provision of cable service.

Rates charged to our customers vary based on the market served and service selected, and are typically adjusted on an annual basis. As of December 31, 1999, the average monthly fee was $13.54 for basic service and $14.88 for expanded basic service. Regulation of the expanded basic service was eliminated by federal law as of March 31, 1999 and such rates are now based on market conditions. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. We believe our rate practices are in accordance with Federal Communications Commission Guidelines and are consistent with those prevailing in the industry generally. See "Regulation and Legislation."

THEFT PROTECTION

The unauthorized tapping of cable plant and the unauthorized receipt of programming using cable converters purchased through unauthorized sources are problems which continue to challenge the entire cable industry. We have adopted specific measures to combat the unauthorized use of our plant to receive programming. For instance, in several of our regions, we have instituted a "perpetual audit" whereby each technician is required to check at least four other nearby residences during each service call to determine if there are any obvious signs of piracy, namely, a drop line leading from the main cable line into other homes. Addresses where the technician observes drop lines are then checked against our customer billing records. If the address is not found in the billing records, a sales representative calls on the unauthorized user to correct the "billing discrepancy" and persuade the user to become a formal customer. In our experience, approximately 25% of unauthorized users who are solicited in this manner become customers. Billing records are then closely monitored to guard against these new customers reverting to their status as unauthorized users. Unauthorized users who do not convert are promptly disconnected and, in certain instances, flagrant violators are referred for prosecution. In addition, we have prosecuted individuals who have sold cable converters programmed to receive our signals without proper authorization.

COMPETITION

We face competition in the areas of price, service offerings and service reliability. We compete with other providers of television signals and other sources of home entertainment. In addition, as we expand into additional services such as Internet access, interactive services and telephony, we will face competition from other providers of each type of service.

To date, we believe that we have not lost a significant number of customers or a significant amount of revenue to our competitors' systems. However, competition from other providers of the technologies we expect to offer in the future may have a negative impact on our business in the future.

Through mergers such as the recent merger of Tele-Communications, Inc. and AT&T and the pending merger of America Online, Inc. (AOL) and Time Warner Inc., customers will come to expect a variety of services from a single provider. While these mergers have no direct or immediate impact on our business, it encourages providers of cable and telecommunications services to expand their service offerings. It also encourages consolidation in the cable industry as cable operators recognize the competitive benefits of a large customer base and expanded financial resources.

Key competitors today include:

BROADCAST TELEVISION. Cable television has long competed with broadcast television, which consists of television signals that the viewer is able to receive without charge using an "off-air" antenna. The extent of such competition is dependent upon the quality and quantity of broadcast signals available through "off-air" reception compared to the services provided by the local cable system. The recent licensing of digital spectrum by the Federal Communications Commission will provide incumbent television licenses with the ability to deliver high definition television pictures and multiple digital-quality program streams, as well as advanced digital services such as subscription video.

DBS. Direct broadcast satellite, known as DBS, has emerged as significant competition to cable systems. The DBS industry has grown rapidly over the last several years, far exceeding the growth rate of the cable television industry, and now serves more than 10 million subscribers nationwide. DBS service allows the subscriber to receive video services directly via satellite using a relatively small dish antenna. Moreover, video compression technology allows DBS providers to offer more than 100 digital channels, thereby surpassing the typical analog cable system. DBS companies historically were prohibited from retransmitting popular local broadcast programming, but a change to the copyright laws in November 1999 eliminated this legal impediment. After an initial six-month grace period, DBS companies will need to secure retransmission consent from the popular broadcast stations they wish to carry, and they will face mandatory carriage obligations of less popular broadcast stations as of January 2002. In response to the legislation, DirecTV, Inc. and EchoStar Communications Corporation already have begun carrying the major network stations in the nation's top television markets. DBS, however, is limited in the local programming it can provide because of the current capacity limitations of satellite technology. It is, therefore, expected that DBS companies will offer local broadcast programming only in the larger U.S. markets in the foreseeable future. The same legislation providing for DBS carriage of local broadcast stations reduced the compulsory copyright fees paid by DBS companies and allows them to continue offering distant network signals to rural customers. In March 2000, both DirecTV and EchoStar announced that they would be capable of providing two-way high-speed Internet access by the end of this year. AOL, the nation's leading provider of Internet services has announced a plan to invest $1.5 billion in Hughes Electronics Corp., DirecTV's parent company, and these companies intend to jointly market AOL's prospective Internet television service to DirecTV's DBS customers.

DSL. The deployment of digital subscriber line technology, known as DSL, will allow Internet access to subscribers at data transmission speeds greater than those of modems over conventional telephone lines. Several telephone companies and other companies are introducing DSL service. The Federal Communications Commission recently released an order in which it mandated that incumbent telephone companies grant access to the high frequency portion of the local loop over which they provide voice services. This will enable competitive carriers to provide DSL services over the same telephone lines simultaneously used by incumbent telephone companies to provide basic telephone service. However, in a separate order the Federal Communications Commission declined to mandate that incumbent telephone companies unbundle their internal packet switching functionality or related equipment for the benefit of competitive carriers. This functionality or equipment could otherwise have been used by competitive carriers directly to provide DSL or other high-speed broadband services. We are unable to predict whether the Federal Communications Commission's decisions will be sustained upon administrative or judicial appeal, the likelihood of success of the Internet access offered by our competitors or the impact on our business and operations of these competitive ventures.

TRADITIONAL OVERBUILDS. Cable television systems are operated under non-exclusive franchises granted by local authorities. More than one cable system may legally be built in the same area. It is possible that a franchising authority might grant a second franchise to another cable operator and that franchise might contain terms and conditions more favorable than those afforded us. In addition, entities willing to establish an open video system, under which they offer unaffiliated programmers non-discriminatory access to a portion of the system's cable system may be able to avoid local franchising requirements. Well financed businesses from outside the cable industry, such as public utilities which already possess fiber optic and other transmission lines in the areas they serve may over time become competitors. There has been a recent increase in the number of cities that have constructed their own cable systems, in a manner similar to city-provided utility services. There has been an increased interest in traditional overbuilds by private companies. Constructing a competing cable system is a capital intensive process which involves a high degree of risk. We believe that in order to be successful, a competitor's overbuild would need to be able to serve the homes and businesses in the overbuilt area on a more cost-effective basis than us. Any such overbuild operation would require either significant access to capital or access to facilities already in place that are capable of delivering cable television programming.

As of December 31, 1999, we are aware of overbuild situations in some of our cable systems. Approximately 115,000 basic customers, or approximately 1.9% of our total basic customers, are passed by these overbuilds. Additionally, we have been notified that franchises have been awarded, and present potential overbuild situations, in other of our systems. These potential overbuild areas service an aggregate of approximately 134,000 basic customers or approximately 2.2% of our total basic customers. In response to such overbuilds, these systems have been designated priorities for the upgrade of cable plant and the launch of new and enhanced services. We have upgraded many of these systems to at least 750 megahertz two-way HFC architecture, and anticipate upgrading the other systems to at least 750 megahertz by December 31, 2001.

TELEPHONE COMPANIES AND UTILITIES. The competitive environment has been significantly affected by both technological developments and regulatory changes enacted in The Telecommunications Act of 1996, which were designed to enhance competition in the cable television and local telephone markets. Federal cross-ownership restrictions historically limited entry by local telephone companies into the cable television business. The 1996 Telecom Act modified this cross-ownership restriction, making it possible for local exchange carriers who have considerable resources to provide a wide variety of video services competitive with services offered by cable systems.

As we expand our offerings to include Internet and other telecommunications services, we will be subject to competition from other telecommunications providers. The telecommunications industry is highly competitive and includes competitors with greater financial and personnel resources, who have brand name recognition and long-standing relationships with regulatory authorities. Moreover, mergers, joint ventures and alliances among franchise, wireless or private cable television operators, local exchange carriers and others may result in providers capable of offering cable television, Internet, and telecommunications services in direct competition with us.

Several telephone companies have obtained or are seeking cable television franchises from local governmental authorities and are constructing cable systems. Cross-subsidization by local exchange carriers of video and telephony services poses a strategic advantage over cable operators seeking to compete with local exchange carriers that provide video services. Some local exchange carriers may choose to make broadband services available under the open video regulatory framework of the Federal Communications Commission or through wireless technology. In addition, local exchange carriers provide facilities for the transmission and distribution of voice and data services, including Internet services, in competition with our existing or potential interactive services ventures and businesses, including Internet service, as well as data and other non-video services. We cannot predict the likelihood of success of the broadband services offered by our competitors or the impact on us of such competitive ventures. The entry of telephone companies as direct competitors in the video marketplace, however, may become more widespread and could adversely affect the profitability and valuation of the systems.

Additionally, we are subject to competition from utilities which possess fiber optic transmission lines capable of transmitting signals with minimal signal distortion.

PRIVATE CABLE. Additional competition is posed by satellite master antenna television systems known as "SMATV systems" serving multiple dwelling units, referred to in the cable industry as "MDU's", such as condominiums, apartment complexes, and private residential communities. These private cable systems may enter into exclusive agreements with such MDUs, which may preclude operators of franchise systems from serving residents of such private complexes. Such private cable systems can offer both improved reception of local television stations and many of the same satellite-delivered program services which are offered by cable systems. SMATV systems currently benefit from operating advantages not available to franchised cable systems, including fewer regulatory burdens and no requirement to service low density or economically depressed communities. Exemption from regulation may provide a competitive advantage to certain of our current and potential competitors. The FCC ruled in 1998 that private cable operators can lease video distribution capacity from local telephone companies and distribute cable programming services over public rights-of-way without obtaining a cable franchise. In 1999, both the Fifth and Seventh Circuit Courts of Appeals upheld this FCC policy.

WIRELESS DISTRIBUTION. Cable television systems also compete with wireless program distribution services such as multi-channel multipoint distribution systems or "wireless cable," known as MMDS. MMDS uses low-power microwave frequencies to transmit television programming over-the-air to paying customers. Wireless distribution services generally provide many of the programming services provided by cable systems, and digital compression technology is likely to increase significantly the channel capacity of their systems. Both analog and digital MMDS services require unobstructed "line of sight" transmission paths. Analog MMDS has impacted our customer growth in Riverside and Sacramento, California and Missoula, Montana. Digital MMDS is a more significant competitor, presenting potential challenges to us in Los Angeles, California and Atlanta, Georgia.

EMPLOYEES

Pursuant to a services agreement between Charter Communications, Inc. and Charter Investment, Inc., Charter Investment, Inc. provides the necessary personnel and services to manage Charter Communications Holding Company and its subsidiaries. These personnel and services are provided to Charter Communications, Inc. on a cost reimbursement basis. Charter Communications, Inc. currently has only thirteen employees, all of whom are senior management and are also executive officers of Charter Investment, Inc. Our management and the management of Charter Investment, Inc. consists of approximately 310 people led by Charter Communications chief executive officer Jerald L. Kent. They are responsible for coordinating and overseeing our operations, including certain critical functions, such as marketing and engineering, that are conducted by personnel at the regional and local system level. The corporate office also performs certain financial control functions such as accounting, finance and acquisitions, payroll and benefit administration, internal audit, purchasing and programming contract administration on a centralized basis.

As of February 29, 2000, we had approximately 11,970 full-time equivalent employees of which approximately 375 were represented by the International Brotherhood of Electrical Workers. We believe we have a good relationship with our employees and have never experienced a work stoppage.

INSURANCE

We have insurance to cover risks incurred in the ordinary course of business, including general liability, property coverage, business interruption and workers' compensation insurance in amounts typical of similar operators in the cable industry and with reputable insurance providers. As is typical in the cable industry, we do not insure our underground plant. We believe our insurance coverage is adequate.

REGULATION AND LEGISLATION

The following summary addresses the key regulatory developments and legislation affecting the cable television industry.

The operation of a cable system is extensively regulated by the Federal Communications Commission, some state governments and most local governments. The 1996 Telecom Act has altered the regulatory structure governing the nation's communications providers. It removes barriers to competition in both the cable television market and the local telephone market. Among other things, it also reduces the scope of cable rate regulation and encourages additional competition in the video programming industry by allowing local telephone companies to provide video programming in their own telephone service areas.

The 1996 Telecom Act requires the Federal Communications Commission to undertake a host of implementing rulemakings. Moreover, Congress and the Federal Communications Commission have frequently revisited the subject of cable regulation. Future legislative and regulatory changes could adversely affect our operations, and there have been calls in Congress and at the Federal Communications Commission to maintain or even tighten cable regulation in the absence of widespread effective competition.

CABLE RATE REGULATION. The 1992 Cable Act imposed an extensive rate regulation regime on the cable television industry, which limited the ability of cable companies to increase subscriber fees. Under that regime, all cable systems were subjected to rate regulation, unless they faced "effective competition" in their local franchise area. Federal law defines "effective competition" on a community-specific basis as requiring satisfaction of conditions rarely satisfied in the current marketplace.

Although the Federal Communications Commission established the underlying regulatory scheme, local government units, commonly referred to as local franchising authorities, are primarily responsible for administering the regulation of the lowest level of cable service -- the basic service tier, which typically contains local broadcast stations and public, educational, and government access channels. Before a local franchising authority begins basic service rate regulation, it must certify to the Federal Communications Commission that it will follow applicable federal rules. Many local franchising authorities have voluntarily declined to exercise their authority to regulate basic service rates. Local franchising authorities also have primary responsibility for regulating cable equipment rates. Under federal law, charges for various types of cable equipment must be unbundled from each other and from monthly charges for programming services.

As of December 31, 1999, pro forma for the Bresnan acquisition, approximately 17% of our local franchising authorities were certified to regulate basic tier rates. The 1992 Cable Act permits communities to certify and regulate rates at any time, so that it is possible that additional localities served by the systems may choose to certify and regulate basic rates in the future.

The Federal Communications Commission historically administered rate regulation of cable programming service tiers, which are the expanded basic programming packages that offer services other than basic programming and which typically contains satellite-delivered programming. As of December 31, 1999, pro forma for the Bresnan acquisition we had cable programming service tier rate complaints relating to approximately 440,000 customers pending at the Federal Communications Commission. Under the 1996 Telecom Act, however, the Federal Communications Commission's authority to regulate cable programming service tier rates sunset on March 31, 1999. The Federal Communications Commission has taken the position that it will still adjudicate pending cable programming service tier complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date. We do not believe any adjudications regarding these pre-sunset complaints will have a material adverse effect on our business. The elimination of cable programming service tier regulation on a prospective basis affords us substantially greater pricing flexibility.

Under the rate regulations of the Federal Communication Commission, most cable systems were required to reduce their basic service tier and cable programming service tier rates in 1993 and 1994, and have since had their rate increases governed by a complicated price cap scheme that allows for the recovery of inflation and certain increased costs, as well as providing some incentive for expanding channel carriage. The Federal Communications Commission has modified its rate adjustment regulations to allow for annual rate increases and to minimize previous problems associated with regulatory lag. Operators also have the opportunity to bypass this "benchmark" regulatory scheme in favor of traditional "cost-of-service" regulation in cases where the latter methodology appears favorable. Cost of service regulation is a traditional form of rate regulation, under which a utility is allowed to recover its costs of providing the regulated service, plus a reasonable profit. The Federal Communications Commission and Congress have provided various forms of rate relief for smaller cable systems owned by smaller operators. Premium cable services offered on a per-channel or per-program basis remain unregulated. However, federal law requires that the basic service tier be offered to all cable subscribers and limits the ability of operators to require purchase of any cable programming service tier if a customer seeks to purchase premium services offered on a per-channel or per-program basis, subject to a technology exception which sunsets in 2002.

As noted above, Federal Communications Commission regulation of cable programming service tier rates for all systems, regardless of size, sunset pursuant to the 1996 Telecom Act on March 31, 1999. As a result, the regulatory regime just discussed is now essentially applicable only to the basic service tier and cable equipment. The 1996 Telecom Act also relaxes existing "uniform rate" requirements by specifying that uniform rate requirements do not apply where the operator faces "effective competition," and by exempting bulk discounts to multiple dwelling units, although complaints about predatory pricing still may be made to the Federal Communications Commission.

CABLE ENTRY INTO TELECOMMUNICATIONS. The 1996 Telecom Act creates a more favorable environment for us to provide telecommunications services beyond traditional video delivery. It provides that no state or local laws or regulations may prohibit or have the effect of prohibiting any entity from providing any interstate or intrastate telecommunications service. A cable operator is authorized under the 1996 Telecom Act to provide telecommunications services without obtaining a separate local franchise. States are authorized, however, to impose "competitively neutral" requirements regarding universal service, public safety and welfare, service quality, and consumer protection. State and local governments also retain their authority to manage the public rights-of-way and may require reasonable, competitively neutral compensation for management of the public rights-of-way when cable operators provide telecommunications service. The favorable pole attachment rates afforded cable operators under federal law can be gradually increased by utility companies owning the poles, beginning in 2001, if the operator provides telecommunications service, as well as cable service, over its plant. The Federal Communications Commission recently clarified that a cable operator's favorable pole rates are not endangered by the provision of Internet access.

Cable entry into telecommunications will be affected by the regulatory landscape now being developed by the Federal Communications Commission and state regulators. One critical component of the 1996 Telecom Act to facilitate the entry of new telecommunications providers, including cable operators, is the interconnection obligation imposed on all telecommunications carriers. In July 1997, the Eighth Circuit Court of Appeals vacated certain aspects of the Federal Communications Commission initial interconnection order but most of that decision was reversed by the U.S. Supreme Court in January 1999. The Supreme Court effectively upheld most of the Federal Communications Commission interconnection regulations. Although these regulations should enable new telecommunications entrants to reach viable interconnection agreements with incumbent carriers, many issues, including which specific network elements the Federal Communications Commission can mandate that incumbent carriers make available to competitors, remain subject to administrative and judicial appeal. If the Federal Communications Commission current list of unbundled network elements is upheld on appeal, it would make it easier for us to provide telecommunications service.

INTERNET SERVICE. Although there is at present no significant federal regulation of cable system delivery of Internet services, and the Federal Communications Commission recently issued several reports finding no immediate need to impose such regulation, this situation may change as cable systems expand their broadband delivery of Internet services. In particular, proposals have been advanced at the Federal Communications Commission and Congress that would require cable operators to provide access to unaffiliated Internet service providers and online service providers. The FCC recently rejected a petition by certain Internet service providers attempting to use existing modes of access that are commercially leased to gain access to cable system delivery. Finally, some local franchising authorities are considering the imposition of mandatory Internet access requirements as part of cable franchise renewals or transfers. A federal district court in Portland, Oregon recently upheld the legal ability of local franchising authority to impose such conditions, but an appeal was filed with the Ninth Circuit Court of Appeals, oral argument has been held and the parties are awaiting a decision. Other local authorities have imposed or may impose mandatory Internet access requirements on cable operators. These developments could, if they become widespread, burden the capacity of cable systems and complicate our own plans for providing Internet service.

TELEPHONE COMPANY ENTRY INTO CABLE TELEVISION. The 1996 Telecom Act allows telephone companies to compete directly with cable operators by repealing the historic telephone company/cable cross-ownership ban. Local exchange carriers, including the regional telephone companies, can now compete with cable operators both inside and outside their telephone service areas with certain regulatory safeguards. Because of their resources, local exchange carriers could be formidable competitors to traditional cable operators. Various local exchange carriers already are providing video programming services within their telephone service areas through a variety of distribution methods, including both the deployment of broadband wire facilities and the use of wireless transmission.

Under the 1996 Telecom Act, local exchange carriers or any other cable competitor providing video programming to subscribers through broadband wire should be regulated as a traditional cable operator, subject to local franchising and federal regulatory requirements, unless the local exchange carrier or other cable competitor elects to deploy its broadband plant as an open video system. To qualify for favorable open video system status, the competitor must reserve two-thirds of the system's activated channels for unaffiliated entities. The Fifth Circuit Court of Appeals reversed certain of the Federal Communications Commission's open video system rules, including its preemption of local franchising. The Federal Communications Commission recently revised its OVS rules to eliminate this general preemption, thereby leaving franchising discretion to state and local authorities. It is unclear what effect this ruling will have on the entities pursuing open video system operation.

Although local exchange carriers and cable operators can now expand their offerings across traditional service boundaries, the general prohibition remains on local exchange carrier buyouts of co-located cable systems. Co-located cable systems are cable systems serving an overlapping territory. Cable operator buyouts of co-located local exchange carrier systems, and joint ventures between cable operators and local exchange carriers in the same market are also prohibited. The 1996 Telecom Act provides a few limited exceptions to this buyout prohibition, including a carefully circumscribed "rural exemption." The 1996 Telecom Act also provides the Federal Communications Commission with the limited authority to grant waivers of the buyout prohibition.

ELECTRIC UTILITY ENTRY INTO TELECOMMUNICATIONS/CABLE TELEVISION. The 1996 Telecom Act provides that registered utility holding companies and subsidiaries may provide telecommunications services, including cable television, notwithstanding the Public Utility Holding Company Act. Electric utilities must establish separate subsidiaries, known as "exempt telecommunications companies" and must apply to the Federal Communications Commission for operating authority. Like telephone companies, electric utilities have substantial resources at their disposal, and could be formidable competitors to traditional cable systems. Several such utilities have been granted broad authority by the Federal Communications Commission to engage in activities which could include the provision of video programming.

ADDITIONAL OWNERSHIP RESTRICTIONS. The 1996 Telecom Act eliminates statutory restrictions on broadcast/cable cross-ownership, including broadcast network/cable restrictions, but leaves in place existing Federal Communications Commission regulations prohibiting local cross-ownership between co-located television stations and cable systems.

Pursuant to the 1992 Cable Act, the Federal Communications Commission adopted rules precluding a cable system from devoting more than 40% of its activated channel capacity to the carriage of affiliated national video program services. Also pursuant to the 1992 Cable Act, the Federal Communications Commission has adopted rules that preclude any cable operator from serving more than 30% of all U.S. domestic multichannel video subscribers, including cable and direct broadcast satellite subscribers. This provision might require AT&T to divest certain cable ownership. However, this provision has been stayed pending further judicial review.

MUST CARRY/RETRANSMISSION CONSENT. The 1992 Cable Act contains broadcast signal carriage requirements. Broadcast signal carriage is the transmission of broadcast television signals over a cable system to cable customers. These requirements, among other things, allow local commercial television broadcast stations to elect once every three years between "must carry" status or "retransmission consent" status. Less popular stations typically elect must carry, which is the broadcast signal carriage requirement that allows local commercial television broadcast stations to require a cable system to carry the station. More popular stations, such as those affiliated with a national network, typically elect retransmission consent which is the broadcast signal carriage requirement that allows local commercial television broadcast stations to negotiate for payments for granting permission to the cable operator to carry the stations. Must carry requests can dilute the appeal of a cable system's programming offerings because a cable system with limited channel capacity may be required to forego carriage of popular channels in favor of less popular broadcast stations electing must carry. Retransmission consent demands may require substantial payments or other concessions. Either option has a potentially adverse effect on our business. The burden associated with must carry may increase substantially if broadcasters proceed with planned conversion to digital transmission and the Federal Communications Commission determines that cable systems must carry all analog and digital broadcasts in their entirety. This burden would reduce capacity available for more popular video programming and new internet and telecommunication offerings. A rulemaking is now pending at the Federal Communications Commission regarding the imposition of dual digital and analog must carry.

ACCESS CHANNELS. Local franchising authorities can include franchise provisions requiring cable operators to set aside certain channels for public, educational and governmental access programming. Federal law also requires cable systems to designate a portion of their channel capacity, up to 15% in some cases, for commercial leased access by unaffiliated third parties. The Federal Communications Commission has adopted rules regulating the terms, conditions and maximum rates a cable operator may charge for commercial leased access use. We believe that requests for commercial leased access carriages have been relatively limited. The Federal Communications Commission recently rejected a request that unaffiliated Internet service providers be found eligible for commercial leased access. Although we do not believe such use is in accord with the governing statute, a contrary ruling, should the ruling be appealed, could lead to substantial leased activity by Internet service providers and disrupt our own plans for Internet service.

ACCESS TO PROGRAMMING. To spur the development of independent cable programmers and competition to incumbent cable operators, the 1992 Cable Act imposed restrictions on the dealings between cable operators and cable programmers. Of special significance from a competitive business posture, the 1992 Cable Act precludes video programmers affiliated with cable companies from favoring their cable operators over new competitors and requires such programmers to sell their programming to other multichannel video distributors. This provision limits the ability of vertically integrated cable programmers to offer exclusive programming arrangements to cable companies. There also has been interest expressed in further restricting the marketing practices of cable programmers, including subjecting programmers who are not affiliated with cable operators to all of the existing program access requirements, and subjecting terrestrially delivered programming to the program access requirements. Terrestrially delivered programming is programming delivered other than by satellite. These changes should not have a dramatic impact on us, but would limit potential competitive advantages we now enjoy.

INSIDE WIRING; SUBSCRIBER ACCESS. In an order issued in 1997, the Federal Communications Commission established rules that require an incumbent cable operator upon expiration of a multiple dwelling unit service contract to sell, abandon, or remove "home run" wiring that was installed by the cable operator in a multiple dwelling unit building. These inside wiring rules are expected to assist building owners in their attempts to replace existing cable operators with new programming providers who are willing to pay the building owner a higher fee, where such a fee is permissible. The Federal Communications Commission has also proposed abrogating all exclusive multiple dwelling unit service agreements held by incumbent operators, but allowing such contracts when held by new entrants. In another proceeding, the Federal Communications Commission has preempted restrictions on the deployment of private antenna on rental property within the exclusive use of a tenant, such as balconies and patios. This Federal Communications Commission ruling may limit the extent to which we along with multiple dwelling unit owners may enforce certain aspects of multiple dwelling unit agreements which otherwise prohibit, for example, placement of digital broadcast satellite receiver antennae in multiple dwelling unit areas under the exclusive occupancy of a renter. These developments may make it even more difficult for us to provide service in multiple dwelling unit complexes.

OTHER REGULATIONS OF THE FEDERAL COMMUNICATIONS COMMISSION. In addition to the Federal Communications Commission regulations noted above, there are other regulations of the Federal Communications Commission covering such areas as:

- equal employment opportunity,
- subscriber privacy,
- programming practices, including, among other things,
  (1) syndicated program exclusivity, which is a Federal Communications Commission rule which requires a cable system to delete particular programming offered by a distant broadcast signal carried on the system which duplicates the programming for which a local broadcast station has secured exclusive distribution rights,
  (2) network program nonduplication,
  (3) local sports blackouts,
  (4) indecent programming,
  (5) lottery programming,
  (6) political programming,
  (7) sponsorship identification,
  (8) children's programming advertisements, and
  (9) closed captioning,
- registration of cable systems and facilities licensing,
- maintenance of various records and public inspection files,
- aeronautical frequency usage,
- lockbox availability,
- antenna structure notification,
- tower marking and lighting,
- consumer protection and customer service standards,
- technical standards,
- consumer electronics equipment compatibility, and
- emergency alert systems.

The Federal Communications Commission recently ruled that cable customers must be allowed to purchase cable converters from third parties and established a multi-year phase-in during which security functions, which would remain in the operator's exclusive control, would be unbundled from basic converter functions, which could then be satisfied by third party vendors.

The Federal Communications Commission has the authority to enforce its regulations through the imposition of substantial fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of Federal Communications Commission licenses needed to operate certain transmission facilities used in connection with cable operations.

COPYRIGHT. Cable television systems are subject to federal copyright licensing covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool, that varies depending on the size of the system, the number of distant broadcast television signals carried, and the location of the cable system, cable operators can obtain blanket permission to retransmit copyrighted material included in broadcast signals. The possible modification or elimination of this compulsory copyright license is the subject of continuing legislative review and could adversely affect our ability to obtain desired broadcast programming. We cannot predict the outcome of this legislative activity. Copyright clearances for nonbroadcast programming services are arranged through private negotiations.

Cable operators distribute locally originated programming and advertising that use music controlled by the two principal major music performing rights organizations, the American Society of Composers, Authors and Publishers and Broadcast Music, Inc. The cable industry has had a long series of negotiations and adjudications with both organizations. A prior voluntarily negotiated agreement with Broadcast Music has now expired, and is subject to further proceedings. The governing rate court recently set retroactive and prospective cable industry rates for American Society of Composers music based on the previously negotiated Broadcast Music rate. Although we cannot predict the ultimate outcome of these industry proceedings or the amount of any license fees we may be required to pay for past and future use of association-controlled music, we do not believe such license fees will be significant to our business and operations.

STATE AND LOCAL REGULATION. Cable television systems generally are operated pursuant to nonexclusive franchises granted by a municipality or other state or local government entity in order to cross public rights-of-way. Federal law now prohibits local franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises. Cable franchises generally are granted for fixed terms and in many cases include monetary penalties for non-compliance and may be terminable if the franchisee failed to comply with material provisions.

The specific terms and conditions of franchises vary materially between jurisdictions. Each franchise generally contains provisions governing cable operations, service rates, franchising fees, system construction and maintenance obligations, system channel capacity, design and technical performance, customer service standards, and indemnification protections. A number of states, including Connecticut, subject cable systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. Although local franchising authorities have considerable discretion in establishing franchise terms, there are certain federal limitations. For example, local franchising authorities cannot insist on franchise fees exceeding 5% of the system's gross cable-related revenues, cannot dictate the particular technology used by the system, and cannot specify video programming other than identifying broad categories of programming.

Federal law contains renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. Even if a franchise is renewed, the local franchising authority may seek to impose new and more onerous requirements such as significant upgrades in facilities and service or increased franchise fees as a condition of renewal. Similarly, if a local franchising authority's consent is required for the purchase or sale of a cable system or franchise, such local franchising authority may attempt to impose more burdensome or onerous franchise requirements in connection with a request for consent. Historically, most franchises have been renewed for and consents granted to cable operators that have provided satisfactory services and have complied with the terms of their franchise.

Under the 1996 Telecom Act, states and local franchising authorities are prohibited from limiting, restricting, or conditioning the provision of competitive telecommunications services, except for certain "competitively neutral" requirements and as necessary to manage the public rights-of-way. In addition, local franchising authorities may not require a cable operator to provide any telecommunications service or facilities, other than institutional networks under certain circumstances, as a condition of an initial franchise grant, a franchise renewal, or a franchise transfer. The 1996 Telecom Act also provides that franchising fees are limited to an operator's cable-related revenues and do not apply to revenues that a cable operator derives from providing new telecommunications services.

ITEM 2. PROPERTIES.

The principal physical assets of Charter Holdings and its subsidiaries consist of cable television distribution plant and equipment, including signal receiving, encoding and decoding devices, headends and distribution systems and customer house drop equipment.

Our headend reception facilities consist of associated electronic equipment necessary for the reception, amplification and modulation of signals and are located near the receiving apparatus. The receiving apparatus is comprised of a tower and antennas for reception of over-the-air broadcast television signals and one or more earth stations for reception of satellite signals. Located near these receiving devices is a building housing associated electronic gear and processing equipment. Charter Holdings and its subsidiaries own the receiving and distribution equipment and own or lease small parcels of real property for the receiving sites.

As of December 31, 1999, pro forma for the Bresnan acquisition, our distribution plant consists primarily of approximately 180,100 miles of coaxial cable and approximately 12,600 sheath miles of fiber optic cable. Fiber optic cable is a communication medium that uses hair-thin fibers to transmit signals over long distances with minimal signal loss or distortion. Coaxial cable is a type of cable used for broadband data and cable systems. This type of cable has excellent broadband frequency characteristics, noise immunity and physical durability. The cable is either buried in underground trenches or is attached to utility poles pursuant to license agreements with the owners of the poles. The cable is connected from each node to individual homes or buildings. A node is a single connection to a cable system's main high-capacity fiber optic cable that is shared by a number of customers. A sheath mile is the actual length of cable in miles.

In addition, Charter Holdings subsidiaries own or lease local business offices of each system from which service employees are dispatched, technical quality of the system is monitored, customer service and billing inquiries are handled and marketing programs are administered. The office facilities of some systems include certain equipment for program production, as required by certain of our franchises.

Subsidiaries of Charter Holdings own the real property housing a regional data center in Town & Country, Missouri, as well as the regional office for the Northeast Region in Newtown, Connecticut and additional real estate located in Hickory, North Carolina; Hammond, Louisiana; and West Sacramento and San Luis Obispo, California. The subsidiaries of Charter Holdings lease space for our regional data center located in Dallas, Texas and additional locations for business offices throughout our operating regions and generally own the towers on which our equipment is located. Headend locations are generally located on owned or leased parcels of land.

We believe that our properties are generally in good condition, although the components of the cable systems do require maintenance and periodic upgrades to keep pace with technological advances and to comply with the requirements of certain franchising authorities. Our systems currently operate at between 300 and 870 megahertz. We believe the standard in the cable industry generally to be a minimum of 550 megahertz. For a discussion of the historical and planned capital expenditures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we are subject to legal proceedings and other claims arising in the ordinary course of our business. We maintain insurance coverage against potential claims in an amount, that we believe to be adequate. There are no material pending legal proceedings, other than routine litigation incidental to the business, to which we are a party or of which any of the our property is the subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of equityholders during the fourth quarter of the year ended December 31, 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(A) MARKET INFORMATION

Our Class A common stock is traded on the NASDAQ National Market system under the ticker symbol: CHTR.

QUARTERLY MARKET INFORMATION -- CLASS A COMMON STOCK

1999	HIGH	LOW
Fourth quarter*..	27 3/4	19 1/2

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* We completed our initial public offering of Class A common stock on November 8, 1999. The initial public offering price per share was $19.00.

(B) HOLDERS

As of March 28, 2000, there were 1,923 holders of our Class A common stock (representing an aggregate of approximately 234,000 beneficial owners) and one holder of our Class B common stock. No preferred stock is outstanding.

(C) DIVIDENDS

There have been no stock dividends paid on any of our equity securities. We do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, to finance the expansion of our business. Charter Communications Holding Company is required under certain circumstances to pay distributions pro rata to all holders of its common membership units, including us, to the extent necessary for any holder of common membership units, to pay income taxes incurred with respect to its share of taxable income attributed to Charter Communications Holding Company. Covenants in the indentures governing the debt obligations of Charter Communications Holding Company and its subsidiaries restrict their ability to make distributions to us, and accordingly, limit our ability to declare or pay cash dividends.

(D) RECENT SALES OF UNREGISTERED SECURITIES

On November 12, 1999 and December 9, 1999, we issued an aggregate of 26,190,584 shares of Class A common stock to certain sellers in the Rifkin and Falcon acquisitions. On November 12, 1999, former sellers in the Rifkin acquisition, who received preferred membership units in Charter Communications Holding Company in connection with the acquisition, contributed to Charter Communications, Inc. an aggregate of 6,946,893 of these preferred membership units. For this contribution, Charter Communications, Inc. issued to such persons 6,946,893 shares of Class A common stock. Also on November 12, 1999, certain partners of Falcon Holding Group, L.P. who received common membership units in Charter Communications Holding Company in connection with the Falcon acquisition, contributed these units to Charter Communications, Inc., along with their rights to receive additional units in connection with the underwriters' exercise of the over-allotment option and the closing of the Bresnan acquisition. As a result of this contribution, certain partners of Falcon Holding Group, L.P. or their transferees were issued 18,955,939 shares of Class A common stock on November 12, 1999, 287,752 shares on December 9, 1999 and 349,162 shares on February 14, 2000.

On January 12, 2000, Charter Holdings and Charter Communications Holdings Capital Corporation issued $675.0 million of 10.00% senior notes due 2009, $325.0 million of 10.25% senior notes due 2010, and $532.0 million 11.75% senior discount notes due 2010 to certain qualified institutional buyers based on the exemptions from registration contained in Section 4(2) of Rule 144A, promulgated under the Securities Act of 1933, as amended. The principal underwriters for this offering were Goldman, Sachs & Co. and Chase Securities, Inc. The aggregate gross proceeds of these notes was $1,300 million and the aggregate underwriting commissions and discounts were $26.8 million. Of the net proceeds totaling $1,274 million, $1,250 million was utilized to finance the change of control offers to repurchase outstanding Avalon, Falcon and Bresnan notes and debentures. The remaining $23.5 million was used for expenses related to the offering.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA.

On July 22, 1999, Charter Investment, Inc., a company controlled by Mr. Allen, formed Charter Communications, Inc. with a nominal initial investment. On November 12, 1999, Charter Communications, Inc. sold 195.5 million shares of Class A common stock in an initial public offering and 50,000 shares of high vote Class B common stock to Mr. Allen. The net proceeds from these sales were used to purchase membership units of Charter Communications Holding Company, representing an approximate 40.6% economic interest, before giving effect to the Bresnan acquisition that occurred on February 14, 2000, and a 100% voting interest.

Charter Communications, Inc.'s purchase of 50,000 membership units of Charter Communications Holding Company was accounted for as a reorganization of entities under common control similar to a pooling of interests. Accordingly, beginning December 23, 1998, the date Mr. Allen first controlled Charter Communications Holding Company, the assets and liabilities of Charter Communications Holding Company are reflected in the consolidated financial statements of Charter Communications, Inc. at Mr. Allen's basis. Minority interest is recorded representing that portion of the economic interests in Charter Communications Holding Company not owned by Charter Communications, Inc.

Consolidated financial statements of Charter Communications, Inc. do not exist for periods prior to December 23, 1998. Instead, for the periods from October 1, 1995 through December 23, 1998, the consolidated financial statements of Charter Communications Properties Holdings, LLC (CCPH), a wholly owned subsidiary of Charter Investment, Inc. and predecessor to Charter Communications, Inc., are presented. CCPH commenced operations with the acquisition of a cable television system on September 30, 1995

The selected historical financial data below for the period from October 1, 1995 through December 31, 1995, for the years ended December 31, 1996 and 1997, and for the period from January 1, 1998 through December 23, 1998, are derived from the consolidated financial statements of CCPH, which have been audited by Arthur Andersen LLP, independent public accountants. The selected historical financial data for the period from December 24, 1998 through December 31, 1998 and the year ended December 31, 1999 are derived from the consolidated financial statements of Charter Communications, Inc., which have been audited by Arthur Andersen LLP and are included herein. The selected historical financial data for the period from January 1, 1995 through September 30, 1995 are derived from the unaudited financial statements of the CCPH's predecessor business. The information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes included elsewhere in this Annual Report.

SELECTED HISTORICAL FINANCIAL DATA

	PREDECESSOR OF CHARTER COMMUNICATIONS PROPERTIES HOLDINGS	CHARTER COMMUNICATIONS PROPERTIES HOLDINGS				CHARTER COMMUNICATIONS, INC.	
			YEAR ENDED DECEMBER 31,				
	1/1/95 THROUGH 9/30/95	10/1/95 THROUGH 12/31/95	1996	1997	1/1/98 THROUGH 12/23/98	12/24/98 THROUGH 12/31/98	YEAR ENDED DECEMBER 31, 1999
	(DOLLARS IN THOUSANDS)						
STATEMENT OF OPERATIONS:							
Revenues	$ 5,324	$ 1,788	$14,881	$18,867	$ 49,731	$ 13,713	$ 1,428,244
Operating expenses:							
Operating, general and administrative	2,581	931	8,123	11,767	25,952	7,134	737,957
Depreciation and amortization	2,137	648	4,593	6,103	16,864	8,318	745,315
Option compensation expense	--	--	--	--	--	845	79,979
Management fees/corporate expense charges	224	54	446	566	6,176	473	51,428
Total operating expenses	4,942	1,633	13,162	18,436	48,992	16,770	1,614,679
Income (loss) from operations	382	155	1,719	431	739	(3,057)	(186,435)
Interest expense	--	(691)	(4,415)	(5,120)	(17,277)	(2,353)	(477,799)
Interest income	--	5	20	41	44	133	34,467
Other income (expense)	38	--	(47)	25	(728)	--	(8,039)
Income (loss) before income taxes and minority interest	420	(531)	(2,723)	(4,623)	(17,222)	(5,277)	(637,806)
Income tax expense	--	--	--	--	--	--	(1,030)
Income (loss) before minority interest	420	(531)	(2,723)	(4,623)	(17,222)	(5,277)	(638,836)
Minority interest	--	--	--	--	--	5,275	572,607
Net income (loss)	$ 420	$ (531)	$(2,723)	$(4,623)	$(17,222)	$ (2)	$ (66,229)
Loss per common share, basic and diluted	N/A	N/A	N/A	N/A	N/A	$ (0.04)	$ (2.22)
Weighted-average common shares outstanding	N/A	N/A	N/A	N/A	N/A	50,000	29,811,202
BALANCE SHEET DATA (AT END OF PERIOD):							
Total assets	$26,342	$31,572	$67,994	$55,811	$281,969	$4,335,527	$18,966,507
Total debt	10,480	28,847	59,222	41,500	274,698	2,002,206	8,936,455
Minority interest	--	--	--	--	--	2,146,549	5,381,331
Redeemable securities	--	--	--	--	--	--	750,937
Member's equity (deficit) /Stockholders' equity	15,311	971	2,648	(1,975)	(8,397)	830	3,011,079

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Reference is made to the "Certain Trends and Uncertainties" section below 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.

INTRODUCTION

We do not believe that our historical financial condition and results of operations are accurate indicators of future results because of certain past and pending significant events, including:

(1) the acquisition by Mr. Allen of CCA Group, Charter Communications Properties Holdings, LLC (CCPH) and CharterComm Holdings LLC, referred to together with their subsidiaries as the Charter companies;

(2) the merger of Marcus Holdings with and into Charter Holdings;

(3) the recent and pending acquisitions of Charter Communications Holding Company and its direct and indirect subsidiaries;

(4) the refinancing or replacement of the previous credit facilities of the Charter companies and certain of our subsidiaries acquired in 1999 and 2000;

(5) the purchase of publicly held notes that had been issued by several of the direct and indirect subsidiaries of Charter Communications Holding Company and Marcus Holdings; and

(6) the allocation of losses to minority interests.

Provided below is a discussion of our organizational history consisting of:

(1) the operations and development of the Charter companies prior to the acquisition by Mr. Allen, together with the acquisition of the Charter companies by Mr. Allen;

(2) the merger of Marcus Holdings with and into Charter Holdings;

(3) the recent and pending acquisitions of Charter Communications Holding Company and its direct and indirect subsidiaries;

(4) the formation of Charter Communications, Inc.; and

(5) our initial public offering of Class A common stock.

ORGANIZATIONAL HISTORY

Prior to the acquisition of the Charter companies by Mr. Allen on December 23, 1998 and the merger of Marcus Holdings with and into Charter Holdings effective April 7, 1999, the cable systems of the Charter and Marcus companies were operated under four groups of companies. Three of these groups were comprised of companies that were managed by Charter Investment prior to the acquisition of the Charter companies by Mr. Allen and the fourth group was comprised of companies that were subsidiaries of Marcus Holdings. Charter's management began managing Marcus Holdings in October 1998.

The following is an explanation of how:

(1) CCPH, the operating companies that formerly comprised CCA Group and CharterComm Holdings, and the Marcus companies became wholly owned subsidiaries of Charter Operating;

(2) Charter Operating became a wholly owned subsidiary of Charter Holdings;

(3) Charter Holdings became a wholly owned subsidiary of Charter Communications Holding Company;

(4) Charter Communications Holding Company became a wholly owned subsidiary of Charter Investment; and

(5) Charter Communications Inc. became the sole voting member and the sole manager of Charter Communications Holding Company.

THE CHARTER COMPANIES

Prior to Charter Investment acquiring the remaining interests that it did not previously own in two of the three groups of Charter companies, namely CCA Group and CharterComm Holdings, as described below, the operating subsidiaries of the three groups of Charter companies were parties to separate management agreements with Charter Investment pursuant to which Charter Investment provided management and consulting services. Prior to our acquisition by Mr. Allen, the Charter companies were as follows:

(1) CCPH

CCPH was a wholly owned subsidiary of Charter Investment. The primary subsidiary of CCPH, which owned the cable systems, was Charter Communications Properties, LLC. In connection with Mr. Allen's acquisition on December 23, 1998, CCPH was merged out of existence and Charter Communications Properties became a direct, wholly owned subsidiary of Charter Investment. In May 1998, CCPH acquired certain cable systems from Sonic Communications, Inc. for a total purchase price, net of cash acquired, of $228.4 million, including $60.9 million of assumed debt.

(2) CCA Group

The controlling interests in CCA Group were held by affiliates of Kelso & Co. Charter Investment had only a minority interest. Effective December 23, 1998, prior to Mr. Allen's acquisition, Charter Investment acquired from the Kelso affiliates the interests Kelso held in CCA Group. Consequently, the companies comprising CCA Group became wholly owned subsidiaries of Charter Investment.

CCA Group consisted of the following three sister companies:

(a) CCT Holdings, LLC;

(b) CCA Holdings, LLC; and

(c) Charter Communications Long Beach, LLC.

The cable systems were owned by the various subsidiaries of these three sister companies. The financial statements for these three sister companies historically were combined and the term "CCA Group" was assigned to these combined entities. In connection with Mr. Allen's acquisition on December 23, 1998, the three sister companies and some of the non-operating subsidiaries were merged out of existence, leaving certain of the operating subsidiaries owning all of the cable systems under this former group. These operating subsidiaries became indirect, wholly owned subsidiaries of Charter Investment.

(3) CharterComm Holdings, LLC

The controlling interests in CharterComm Holdings were held by affiliates of Charterhouse Group International Inc. Charter Investment had only a minority interest. Effective December 23, 1998, prior to Mr. Allen's acquisition, Charter Investment acquired from the Charterhouse Group affiliates the interests the Charterhouse Group affiliates held in Charter Communication Holdings. Consequently, CharterComm Holdings became a wholly owned subsidiary of Charter Investment.

The cable systems were owned by the various subsidiaries of CharterComm Holdings. In connection with Mr. Allen's acquisition on December 23, 1998, some of the non-operating subsidiaries were merged out of existence, leaving certain of the operating subsidiaries owning all of the cable systems under this former group. CharterComm Holdings was merged out of existence. Charter Communications, LLC became a direct, wholly owned subsidiary of Charter Investment.

Our acquisition by Mr. Allen became effective on December 23, 1998, through a series of transactions in which Mr. Allen acquired approximately 94% of the equity interests of Charter Investment for an aggregate purchase price of $2.2 billion, excluding $2.0 billion in assumed debt. Charter Communications Properties and the operating companies that formerly comprised CCA Group and CharterComm Holdings were contributed to Charter Operating subsequent to Mr. Allen's acquisition. CCPH is deemed to be our predecessor. Consequently, the contribution of Charter Communications Properties was accounted for as a reorganization under common control. The contributions of the operating companies that formerly comprised CCA Group and CharterComm Holdings were accounted for in accordance with purchase accounting. Accordingly, our results of operations for periods after December 23, 1998 include the accounts of Charter Communications Properties, CCA Group and CharterComm Holdings.

In February 1999, Charter Holdings was formed as a wholly owned subsidiary of Charter Investment and Charter Operating was formed as a wholly owned subsidiary of Charter Holdings. All of Charter Investment's direct interests in the entities described above were transferred to Charter Operating. All of the prior management agreements were terminated and a new management agreement was entered into between Charter Investment and Charter Operating.

In May 1999, Charter Holdco was formed as a wholly owned subsidiary of Charter Investment. All of Charter Investment's interests in Charter Holdings were transferred to Charter Communications Holding Company.

In July 1999, Charter Communications, Inc. was formed as a wholly owned subsidiary of Charter Investment. Also in November 1999, Charter Communications Holding Company sold membership units to Vulcan Cable III. In the initial public offering of Charter Communications, Inc., substantially all of its equity interests were sold to the public and less than 1% of its equity interests were sold to Mr. Allen. Charter Communications, Inc. contributed substantially all of the proceeds of the initial public offering to Charter Communications Holding Company which issued membership units to Charter Communications, Inc. In November 1999, the management agreement between Charter Investment and Charter Operating was amended and assigned from Charter Investment to us.

THE MARCUS COMPANIES

In April 1998, Mr. Allen acquired approximately 99% of the non-voting economic interests in Marcus Cable, and agreed to acquire the remaining interests. The owner of the remaining partnership interests retained voting control of Marcus Cable. In October 1998, Marcus Cable entered into a management consulting agreement with Charter Investment, pursuant to which Charter Investment provided management and consulting services to Marcus Cable and its subsidiaries which own cable systems. This agreement placed the Marcus cable systems under common management with the cable systems of the Charter companies acquired by Mr. Allen in December 1998.

In March 1999, all of Mr. Allen's interests in Marcus Cable were transferred to Marcus Holdings, a then newly formed company. Later in March 1999, Mr. Allen acquired the remaining interests in Marcus Cable, including voting control, which interests were transferred to Marcus Holdings. In April 1999, Mr. Allen merged Marcus Holdings into Charter Holdings, and the operating subsidiaries of Marcus Holdings and all of the cable systems they owned came under the ownership of Charter Holdings and, in turn, Charter Operating. For financial reporting purposes, the merger of Marcus Holdings with and into Charter Holdings was accounted for as an acquisition of Marcus Holdings effective March 31, 1999, and accordingly, the results of operations of Marcus Holdings have been included in our consolidated financial statements since that date.

ACQUISITIONS

Since the beginning of 1999, we have completed twelve acquisitions for an aggregate purchase price of approximately $14.1 billion including assumed debt of $3.3 billion. These acquisitions were funded through excess cash from the issuance by Charter Holdings of the March 1999 Charter Holdings notes, borrowings under our credit facilities, the assumption of the outstanding Renaissance, Helicon, Rifkin, Avalon, Falcon and Bresnan notes and debentures, equity issued to specific sellers in the Helicon, Rifkin, Falcon and Bresnan acquisitions, the net proceeds of our Class A common stock initial public offering and equity contributions to Charter Communications Holding Company by Mr. Allen through Vulcan Cable III.

In the Falcon acquisition, certain of the Falcon sellers received a total of $550 million of the Falcon purchase price in the form of membership units in Charter Communications Holding Company. In the Bresnan acquisition, the Bresnan sellers received $1.0 billion of the Bresnan purchase price in the form of membership units in Charter Communications Holding Company and preferred membership units in an indirect subsidiary of Charter Communications, Inc. In addition, certain Rifkin sellers received a total of $133.3 million of the Rifkin purchase price in the form of preferred membership units in Charter Communications Holding Company. Under the Helicon purchase agreement, $25 million of the purchase price was paid in the form of preferred limited liability company interests of Charter-Helicon, LLC, our indirect subsidiary.

The following table sets forth additional information on our acquisitions in 1999 and 2000 and our pending acquisition:

ACQUISITION	ACQUISITION DATE	PURCHASE PRICE (IN MILLIONS)	AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999 CUSTOMERS	REVENUES (IN THOUSANDS)
Renaissance	4/99	$ 459	134,000	$ 62,428
American Cable	5/99	240	69,000	37,216
Greater Media systems	6/99	500	176,000	85,933
Helicon	7/99	550	171,000	85,224
Vista	7/99	126	26,000	14,112
Cable Satellite	8/89	22	9,000	4,859
Rifkin	9/99	1,460	463,000	219,878
InterMedia systems	10/99	873+	420,000	179,259
		systems swap	(142,000)(a)	(53,056)(b)
			278,000	126,203
Fanch	11/99	2,400	528,000	218,197
Falcon	11/99	3,481	955,000	427,668
Avalon	11/99	845(c)	258,000(c)	109,943(d)
Bresnan	2/00	3,100	686,000(e)	290,697(f)
Total		$ 14,056	3,753,000	$1,682,358

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(a) As part of the transaction with InterMedia, we agreed to "swap" some of our non-strategic cable systems located in Indiana, Montana, Utah and northern Kentucky, representing 142,000 basic customers. We transferred cable systems with 112,000 customers to InterMedia in connection with this swap in October 1999. The remaining cable system, with customers totaling 30,000, was transferred in March 2000 after receipt of the necessary regulatory approvals.

(b) Includes revenues for all swapped InterMedia systems, except the retained Indiana system, for the nine months ended September 30, 1999, the date of the transfer, and includes revenues for the Indiana system for the year ended December 31, 1999.

(c) Includes approximately 5,400 customers served by cable systems that we acquired from certain former affiliates of Avalon in February 2000. The $845 million purchase price for Avalon includes the purchase price for these systems of approximately $13 million.

(d) Includes revenues of approximately $1.6 million related to the cable systems acquired from certain former affiliates of Avalon.

(e) Includes approximately 19,400 customers served by cable systems acquired by Bresnan since December 31, 1999.

(f) Includes revenues of approximately $7.1 million related to the cable systems acquired by Bresnan since December 31, 1999.

PENDING ACQUISITION

In March 2000, we entered into an agreement providing for the merger of Cablevision of Michigan, Inc., the indirect owner of a cable system in Kalamazoo, Michigan, with and into Charter Communications, Inc. As a result of this merger, Charter Communications, Inc. will become the indirect owner of the Kalamazoo cable system. The merger consideration of approximately $173 million will be paid in Class A common stock of Charter Communications, Inc. which will contribute 100% of the equity interests of the direct owner of the system to Charter Communications Holding Company in exchange for membership units. The Kalamazoo cable system has approximately 49,000 customers and had revenue of approximately $31.9 million for the year ended December 31, 1999. We anticipate that this acquisition will close in the third quarter of 2000.

POSSIBLE SWAP TRANSACTION. On December 1, 1999, Charter and AT&T entered into a non-binding letter of intent to exchange certain of Charter's cable systems for cable systems owned by AT&T. As part of the Swap Transaction, we will be required to pay to AT&T approximately $108 million in cash, which represents the difference in the agreed values of the systems to be exchanged. The Swap Transaction is subject to the negotiation and execution of a definitive exchange agreement, regulatory approvals and other conditions typical in transactions of this type. We cannot assure that these conditions will be satisfied.

In addition, we have had discussions with several other cable operators about the possibility of "swapping" cable systems that would further complement our regional operating clusters.

OVERVIEW

Approximately 87% of our historical revenues for the year ended December 31, 1999 are attributable to monthly subscription fees charged to customers for our basic, expanded basic and premium cable television programming services, equipment rental and ancillary services provided by our cable television systems. In addition, we derive other revenues from installation and reconnection fees charged to customers to commence or reinstate service, pay-per-view programming, where users are charged a fee for individual programs requested, advertising revenues and commissions related to the sale of merchandise by home shopping services. We have generated increased revenues in each of the past three fiscal years, primarily through internal customer growth, basic and expanded tier rate increases, acquisitions and innovative marketing. We are beginning to offer our customers several other services, which are expected to significantly contribute to our revenues. One of these services is digital cable, which provides customers with additional programming options. We are also offering high-speed Internet access to the World Wide Web through cable modems. Our television-based Internet access allows us to offer the services provided by WorldGate Communications, Inc., which provides users with TV-based e-mail and other Internet access.

Our expenses primarily consist of operating costs, general and administrative expenses, depreciation and amortization expense and management fees/corporate expense charges. Operating costs primarily include programming costs, cable service related expenses, marketing and advertising costs, franchise fees and expenses related to customer billings. Programming costs accounted for approximately 44% of our operating, general and administrative expenses for the year ended December 31, 1999. Programming costs have increased in recent years and are expected to continue to increase due to additional programming being provided to customers, increased cost to produce or purchase cable programming, inflation and other factors affecting the cable television industry. In each year we have operated, our costs to acquire programming have exceeded customary inflationary increases. Significant factors with respect to increased programming costs are the rate increases and surcharges imposed by national and regional sports networks directly tied to escalating costs to acquire programming for professional sports packages in a competitive market. We benefited in the past from our membership in an industry cooperative that provides members with volume discounts from programming networks. We believe our membership kept increases in our programming costs below what the increases would otherwise have been. We have been able to negotiate favorable terms with premium networks in conjunction with the premium packages we offer, which minimized the impact on margins and provided substantial volume incentives to grow the premium category. Although we believe that we will be able to pass future increases in programming costs through to customers, there can be no assurance that we will be able to do so.

General and administrative expenses primarily include accounting and administrative personnel and professional fees. Depreciation and amortization expense relates to the depreciation of our tangible assets and the amortization of our franchise costs. Management fees/corporate expense charges are fees paid or charges for management services. Charter Holdings records actual expense charges incurred by Charter Communications, Inc. on behalf of Charter Holdings. Prior to the acquisition of us by Mr. Allen, the CCA Group and CharterComm Holdings recorded management fees payable to Charter Investment, Inc. equal to 3.0% to 5.0% of gross revenues plus certain expenses. In October 1998, Charter Investment, Inc. began managing the cable operations of Marcus Holdings under a management agreement, which was terminated in February 1999 and replaced by a master management fee arrangement.

In connection with Charter Communications, Inc.'s initial public offering of common stock in November 1999, the management agreement between Charter Investment, Inc. and Charter Operating was assigned to Charter Communications, Inc. and Charter Communications, Inc. entered into a new management agreement with Charter Communications Holding Company. These management agreements are substantially similar to the previous management agreement with Charter Operating except that Charter Communications, Inc. is only entitled to receive reimbursement of its expenses as consideration for its providing management services. In addition, the Falcon, Fanch, Avalon and Bresnan cable systems are managed pursuant to agreements that entitle Charter Communications, Inc. to receive reimbursement of its expenses as consideration for its provision of management services. Our credit facilities limit the amount of such reimbursements to 3.5% of gross revenues.

We have had a history of net losses and expect to continue to report net losses for the foreseeable future. The principal reasons for our prior and anticipated net losses include depreciation and amortization expenses associated with our acquisitions, capital expenditures related to construction and upgrading of our systems, and interest costs on borrowed money. We cannot predict what impact, if any, continued losses will have on our ability to finance our operations in the future.

RESULTS OF OPERATIONS

The following discusses the results of operations for:

(1) CCPH, for the year ended December 31, 1997, and for the period from January 1, 1998 through December 23, 1998;

(2) Charter Communications, Inc., comprised of CCPH, CCA Group and CharterComm Holdings, for the period from December 24, 1998 through December 31, 1998; and

(3) Charter Communications, Inc.'s comprised of the following for the year ended December 31, 1999:

- CCPH, CCA Group and CharterComm Holdings for the entire period;

- Marcus Holdings for the period from March 31, 1999, the date Mr. Allen acquired voting control, through December 31, 1999;

- Renaissance Media Group LLC for the period from April 30, 1999, the acquisition date, through December 31, 1999;

- American Cable Entertainment, LLC for the period from May 7, 1999, the acquisition date, through December 31, 1999;

- Cable systems of Greater Media Cablevision, Inc. for the period from June 30, 1999, the acquisition date, through December 31, 1999;

- Helicon Partners I, L.P. and affiliates for the period from July 30, 1999, the acquisition date, through December 31, 1999;

- Vista Broadband Communications, L.L.C. for the period from July 30, 1999, the acquisition date, through December 31, 1999;

- Cable system of Cable Satellite of South Miami, Inc. for the period from August 4, 1999, the acquisition date, through December 31, 1999;

- Rifkin Acquisition Partners, L.L.L.P. and InterLink Communications Partners, LLLP for the period from September 13, 1999, the acquisition date, through December 31, 1999;

- Cable systems of InterMedia Capital Partners IV, L.P., InterMedia Partners and affiliates for the period from October 1, 1999, "swap" transaction date, through December 31, 1999;

- Cable systems of Fanch Cablevision L.P. and affiliates from November 12, 1999, the acquisition date, through December 31, 1999;

- Falcon Communications, L.P. for the period from November 12, 1999, the acquisition date, through December 31, 1999; and

- Avalon Cable of Michigan Holdings, Inc. from November 15, 1999, the acquisition date, through December 31, 1999.

No operating results are included for the Bresnan cable systems acquired on February 14, 2000.

The following table sets forth the percentages of revenues that items in the statements of operations constitute for the indicated periods (dollars in thousands):

	CHARTER COMMUNICATIONS PROPERTIES HOLDINGS				CHARTER COMMUNICATIONS, INC.			
	YEAR ENDED DECEMBER 31, 1997		1/1/98 THROUGH 12/23/98		12/24/98 THROUGH 12/31/98		YEAR ENDED DECEMBER 31, 1999	
STATEMENTS OF OPERATIONS:								
Revenues	$18,867	100.0%	$ 49,731	100.0%	$13,713	100.0%	$1,428,244	100.0%
Operating expenses:								
Operating costs	9,157	48.5%	18,751	37.7%	4,757	45.0%	500,477	35.0%
General and administrative costs	2,610	13.8%	7,201	14.5%	2,377	7.0%	237,480	16.6%
Depreciation and amortization	6,103	32.3%	16,864	33.9%	8,318	60.7%	745,315	52.2%
Option compensation expense	--	--	--	--	845	6.2%	79,979	5.6%
Management fees/corporate expense charges	566	3.0%	6,176	12.4%	473	3.4%	51,428	3.6%
Total operating expenses	18,436	97.7%	48,992	98.5%	16,770	122.3%	1,614,679	113.1%
Income (loss) from operations	431	2.3%	739	1.5%	(3,057)	(22.3%)	(186,435)	(13.1%)
Interest income	41	0.2%	44	0.1%	133	1.0%	34,467	2.4%
Interest expense	(5,120)	(27.1%)	(17,277)	(34.7%)	(2,353)	(17.2%)	(477,799)	(33.5%)
Other income (expense)	25	0.1%	(728)	(1.5%)	--	--	(8,039)	(0.6%)
Loss before income taxes and minority interest	(4,623)	(24.5%)	(17,222)	(34.6%)	(5,277)	(38.5%)	(637,806)	(44.7%)
Income tax expense	--	--	--	--	--	--	(1,030)	--
Minority interest in loss of subsidiary	--	--	--	--	5,275	38.5%	572,607	40.1%
Net loss	$(4,623)	(24.5%)	$(17,222)	(34.6%)	$ (2)	0.0%	$ (66,229)	(4.6%)

FISCAL 1999 COMPARED TO PERIOD FROM JANUARY 1, 1998 THROUGH DECEMBER 23, 1998

REVENUES. Revenues increased by $1,378.5 million, from $49.7 million for the period from January 1, 1998 through December 23, 1998 to $1,428.2 million in 1999. The increase in revenues primarily resulted from the acquisitions of CCA Group and CharterComm Holdings, Marcus Holdings and 1999 acquisitions. Additional revenues from these entities included for the year ended December 31, 1999 were $618.8 million, $386.7 million and $350.1 million, respectively.

OPERATING, GENERAL AND ADMINISTRATIVE COSTS. Operating, general and administrative costs increased by $712.0 million, from $26.0 million for the period from January 1, 1998 through December 23, 1998 to $738.0 million in 1999. This increase was due primarily to the acquisition of the CCA Group and CharterComm Holdings, Marcus Holdings and 1999 acquisitions. Additional operating, general and administrative expenses from these entities included for the year ended December 31, 1999 were $338.5 million, $209.3 million and $158.8 million, respectively.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased by $728.5 million, from $16.9 million, for the period from January 1, 1998 through December 23, 1998 to $745.3 million in 1999. There was a significant increase in amortization expense resulting from the acquisitions of the CCA Group and CharterComm Holdings, Marcus Holdings and 1999 acquisitions. Additional depreciation and amortization expense from these entities included for the year ended December 31, 1999 were $346.3 million, $203.5 million and $195.1 million, respectively. The increases were offset by the elimination of depreciation and amortization expense related to disposition of cable systems.

OPTION COMPENSATION EXPENSE. Option compensation expense in 1999 was $80.0 million due to the granting of options to employees in December 1998, February 1999 and April 1999. The exercise prices of the options on the date of grant were less than the estimated fair values of the underlying membership units, resulting in compensation expense accrued over the vesting period of each grant that varies from four to five years.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Management fees/corporate expense charges increased by $45.3 million, from $6.2 million, for the period from January 1, 1998 through December 23, 1998 to $51.4 million in 1999. The increase in 1998 compared to 1999 was the result of the acquisitions of CCA Group and CharterComm Holdings, Marcus Holdings and 1999 acquisitions.

INTEREST INCOME. Interest income increased by $34.4 million, from $44 for the period from January 1, 1998 through December 23, 1998 to $34.5 million in 1999. The increase was primarily due to investing excess cash that resulted from required credit facilities drawdowns, the initial public offering and the sale of the March 1999 Charter Holdings notes.

INTEREST EXPENSE. Interest expense increased by $460.5 million, from $17.3 million for the period from January 1, 1998 through December 23, 1998 to $477.8 million in 1999. This increase resulted primarily from interest on the notes and credit facilities used to finance the acquisitions of CCA Group and CharterComm Holdings, Marcus Holdings and 1999 acquisitions.

MINORITY INTEREST. Minority interest is $5.3 million for the period from December 24, 1998 through December 31, 1998 and $572.6 million for the year ended December 31, 1999. The minority interest represents the ownership in Charter Communications Holding Company by entities other than Charter Communications, Inc. For financial reporting purposes, 50,000 of the membership units Charter Communications Holding Company previously issued to companies controlled by Mr. Allen are considered held by Charter Communications, Inc. since December 24, 1998.

NET LOSS. Net loss increased by $49.0 million, from $17.2 million for the period from January 1, 1998 through December 23, 1998 to $66.2 million in 1999. The increase in revenues that resulted from the acquisitions of CCA Group, CharterComm Holdings and Marcus Holdings was not sufficient to offset the operating expenses associated with the acquired systems.

PERIOD FROM DECEMBER 24, 1998 THROUGH DECEMBER 31, 1998

This period is not comparable to any other period presented. The financial statements represent eight days of operations. This period not only contains the results of operations of CCPH but also the results of operations of those entities purchased in the acquisition of the Charter companies by Mr. Allen. As a result, no comparison of the operating results for this eight-day period is presented.

PERIOD FROM JANUARY 1, 1998 THROUGH DECEMBER 23, 1998 COMPARED TO 1997

REVENUES. Revenues increased by $30.9 million, or 163.6%, from $18.9 million in 1997 to $49.7 million for the period from January 1, 1998 through December 23, 1998. The increase in revenues primarily resulted from the acquisition of Sonic, which had revenues for that period of $29.8 million.

OPERATING COSTS. Operating costs increased by $9.6 million, or 104.8%, from $9.2 million in 1997 to $18.8 million for the period from January 1, 1998 through December 23, 1998. This increase was due primarily to the acquisition of Sonic, which had operating expenses for that period of $9.4 million, partially offset by the loss of $1.4 million on the sale of a cable system in 1997.

GENERAL AND ADMINISTRATIVE COSTS. General and administrative costs increased by $4.6 million, or 175.9%, from $2.6 million in 1997 to $7.2 million for the period from January 1, 1998 through December 23, 1998. This increase was due primarily to the acquisition of Sonic, which had general and administrative costs for that period of $6.0 million.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased by $10.8 million, or 176.3%, from $6.1 million in 1997 to $16.9 million for the period from January 1, 1998 through December 23,

1998. There was a significant increase in amortization resulting from the acquisition of Sonic. Incremental depreciation and amortization expenses of the acquisition of Sonic were $9.9 million.

MANAGEMENT FEES/CORPORATE EXPENSE CHARGES. Corporate expense charges increased by $5.6 million, or 991.2% from $0.6 million in 1997 to $6.2 million for the period from January 1, 1998 through December 23, 1998. The increase from 1997 compared to the period from January 1, 1998 through December 23, 1998 was the result of additional Charter Investment, Inc. charges related to equity appreciation rights plans of $3.8 million for the period from January 1, 1998 through December 23, 1998 and an increase of $0.9 million in management services provided by Charter Investment, Inc. as a result of the acquisition of Sonic.

INTEREST EXPENSE. Interest expense increased by $12.2 million, or 237.4%, from $5.1 million in 1997 to $17.3 million for the period from January 1, 1998 through December 23, 1998. This increase resulted primarily from the indebtedness of $220.6 million, including a note payable for $60.9 million, incurred in connection with the acquisition of Sonic resulting in additional interest expense.

NET LOSS. Net loss increased by $12.6 million, or 272.5%, from $4.6 million in 1997 to $17.2 million for the period from January 1, 1998 through December 23, 1998. The increase in revenues that resulted from cable television customer growth was not sufficient to offset the operating expenses related to the acquisition of Sonic.

OUTLOOK

Our business strategy emphasizes the increase of our operating cash flow by increasing our customer base and the amount of cash flow per customer. We believe that there are significant advantages in increasing the size and scope of our operations, including:

- improved economies of scale in management, marketing, customer service, billing and other administrative functions;

- reduced costs for our cable systems and our infrastructure in general;

- increased leverage for negotiating programming contracts; and

- increased influence on the evolution of important new technologies affecting our business.

We seek to "cluster" cable systems in suburban and ex-urban areas surrounding selected metropolitan markets. We believe that such "clustering" offers significant opportunities to increase operating efficiencies and to improve operating margins and cash flow by spreading fixed costs over an expanding subscriber base. In addition, we believe that by concentrating "clusters" in markets, we will be able to generate higher growth in revenues and operating cash flow. Through strategic acquisitions and "swaps" of cable systems, we seek to enlarge the coverage of our current areas of operations, and, if feasible, develop "clusters" in new geographic areas within existing regions. Swapping of cable systems allows us to trade systems that do not coincide with our operating strategy while gaining systems that meet our objectives. Several significant swaps have been announced. These swaps have demonstrated the industry's trend to cluster operations. To date, we have participated in one swap in connection with the transaction with InterMedia. In addition, Charter Communications, Inc. has entered into a non-binding letter of intent providing for the exchange of certain of our cable systems for systems owned by AT&T.

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, equity contributions, borrowings under our credit facilities and debt and equity financings.

Our historical cash flows from operating activities in 1998 were $30.2 million, and in 1999 were $479.9 million.

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 maintenance, the development of new products and services, and converters. Converters are set-top devices added in front of a subscriber's television receiver to change the frequency of the cable television signals to a suitable channel. The television receiver is then able to tune and to allow access to premium service.

Upgrading our cable systems will enable us to offer new products and services, including digital television, additional channels and tiers, expanded pay-per-view options, high-speed Internet access and interactive services.

Capital expenditures for 1999, pro forma for acquisitions in 1999 and the acquisition of the Bresnan cable systems, are estimated to be approximately $1.3 billion. In 1999, we made capital expenditures, excluding cable systems acquired in 1999 and in our merger with Marcus Holdings, of $741.5 million. The majority of these capital expenditures related to rebuilding existing cable system and were funded from cash flows from operations and borrowings under credit facilities.

For the period from January 1, 2000 to December 31, 2002, we plan to spend approximately $5.6 billion for capital expenditures, approximately $3.1 billion of which will be used to upgrade and rebuild our systems to a bandwidth capacity of 550 megahertz or greater and add two-way capability, so that we may offer advanced services. The remaining $2.5 billion will be used for extensions of systems, development of new products and services, converters and system maintenance. Capital expenditures for 2000, 2001 and 2002 are expected to be approximately $1.6 billion, $2.0 billion and $2.0 billion, respectively. We currently expect to finance the anticipated capital expenditures with cash generated from operations and additional borrowings under credit facilities. We cannot assure you that these amounts will be sufficient to accomplish our planned system upgrade, expansion and maintenance. If we are not able to obtain amounts sufficient for our planned upgrades and other capital expenditures, 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.

FINANCING ACTIVITIES

As of December 31, 1999, pro forma for the sale of the January 2000 Charter Holdings notes, the Bresnan acquisition, and the repurchase of Falcon, Avalon and Bresnan notes and debentures, our total debt would have been approximately $11.0 billion, and the deficiency of earnings available to cover fixed charges before minority interest would have been approximately $1,475.4 million. 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.

MARCH 1999 CHARTER HOLDINGS NOTES. On March 17, 1999, Charter Holdings and Charter Capital issued $3.6 billion principal amount of senior notes. The March 1999 Charter Holdings notes consisted of $600 million in aggregate principal amount of 8.250% senior notes due 2007, $1.5 billion in aggregate principal amount of 8.625% senior notes due 2009, and $1.475 billion in aggregate principal amount at maturity of 9.920% senior discount notes due 2011. The net proceeds of approximately $3.0 billion, combined with the borrowings under our credit facilities, were used to consummate tender offers for publicly held debt of several of our subsidiaries, as described below, to refinance borrowings under our previous credit facilities, for working capital purposes and to finance a number of acquisitions.

As of December 31, 1999, a total of $2.1 billion was outstanding under the 8.250% notes and the 8.625% notes, and the accreted value of the outstanding 9.920% notes was $977.8 million.

NOTES OF THE CHARTER COMPANIES AND THE MARCUS COMPANIES. In February and March 1999, we commenced cash tender offers to purchase the 14% senior discount notes issued by Charter Communications Southeast Holdings, LLC, the 11.25% senior notes issued by Charter Communications Southeast, LLC, the

13.50% senior subordinated discount notes issued by Marcus Cable Operating Company, L.L.C., and the 14.25% senior discount notes issued by Marcus Cable. All such notes, except for $1.1 million in principal amount, were repaid in full for an aggregate amount of $1.0 billion. The remaining $1.1 million of such notes were repaid in September 1999.

CHARTER OPERATING CREDIT FACILITIES. The Charter Operating credit facilities provides for two term facilities, one with a principal amount of $1.0 billion that matures in September 2007 (Term A), and the other with a principal amount of $1.85 billion that matures in March 2008 (Term B). The Charter Operating credit facilities also provide for a $1.25 billion revolving credit facility with a maturity date in September 2007, and at the option of the lenders, supplemental credit facilities, in the amount of $500.0 million available until March 18, 2002. Amounts under the Charter Operating credit facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.75% (8.22% to 8.97% as of December 31, 1999). A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of Term A and the revolving credit facility. As of December 31, 1999, the unused availability was $1.2 billion. In March 2000, the credit agreement was amended to increase the amount of the supplemental credit facility to $1.0 billion. In connection with this amendment, $600 million of the supplemental credit facility was drawn down. The incremental term loan maturity date is September 18, 2008.

RENAISSANCE NOTES. When we acquired Renaissance in April 1999, Renaissance had outstanding $163.2 million principal amount at maturity of 10% senior discount notes due 2008. The Renaissance 10% notes do not require the payment of interest until April 15, 2003. After April 15, 2003, the Renaissance 10% notes bear interest, payable semi-annually in cash, on April 15 and October 15, commencing on October 15, 2003. The Renaissance 10% notes are due on April 15, 2008. In May 1999, $48.8 million aggregate face amount of the Renaissance Notes were repurchased at 101% of their accreted value plus accrued and unpaid interest. As of December 31, 1999, the accreted value of the Renaissance 10% notes that remained outstanding was approximately $83.0 million.

HELICON NOTES. We acquired Helicon in July 1999 and assumed Helicon's $115.0 million in principal amount of 11% senior secured notes due 2003. On November 1, 1999, we redeemed all of the Helicon 11% notes at a purchase price equal to 103% of their principal amount, plus accrued and unpaid interest, for $124.8 million.

RIFKIN NOTES. We acquired Rifkin in September 1999 and assumed Rifkin's outstanding $125.0 million in principal amount of 11.125% senior subordinated notes due 2006. In October 1999, we repurchased an individually held $3.0 million Rifkin promissory note for $3.4 million and publicly held notes with a total outstanding principal amount of $124.1 million for a total of $140.6 million, including a consent fee to noteholders who delivered timely consents to amend the indenture governing those notes to eliminate substantially all of the restrictive covenants. As of December 31, 1999, there was $0.9 million in principal amount outstanding of Rifkin notes. In February 2000, we repurchased $0.5 million in principal amount of these notes.

FALCON DEBENTURES. We acquired Falcon in November 1999 and assumed Falcon's outstanding $375 million in principal amount of 8.375% senior debentures due 2010 and 9.285% senior discount debentures due 2010 with an accreted value of approximately $319.1 million. Falcon's 11.56% subordinated notes due 2001 were paid off for a total of $16.3 million, including principal, accrued and unpaid interest and premiums at the closing of the Falcon acquisition. As of December 31, 1999, $375.0 million total principal amount of the Falcon 8.375% debentures were outstanding and the accreted value of the Falcon 9.285% debentures was approximately $323.0 million.

On December 10, 1999, change of control offers were commenced to repurchase the Falcon debentures at purchase prices of 101% of principal amount, plus accrued and unpaid interest, or accreted value, as applicable. In the change of control offers and purchases in the "open market," all of the 8.375% senior debentures were repurchased for $388.0 million, all of the 9.285% senior discount debentures were repurchased for $328.1 million in February 2000.

FALCON CREDIT FACILITIES. In connection with the Falcon acquisition, the previous Falcon credit facilities were amended to provide for two term facilities, one with a principal amount of $200.0 million that matures June 2007 (Term B), and the other with the principal amount of $300.0 million that matures December 2007 (Term C). The Falcon credit facilities also provide for a $646.0 million revolving credit facility with a maturity date of December 2006 and at the options of the lenders, a supplemental facilities in the amount of a $700.0 million with a maturity date in December 2007. At December 31, 1999, $110.0 million was outstanding under the supplemental credit facilities. Amounts under the Falcon credit facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.5% (7.57% to 9.25% as of December 31, 1999). A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance. As of December 31, 1999, unused availability was $390.5 million. However, debt covenants limit the amount that can be borrowed to $342.0 million at December 31, 1999.

AVALON CREDIT FACILITIES. The Avalon credit facilities have maximum borrowings of $300.0 million, consisting of a revolving facility in the amount of $175.0 million that matures May 15, 2008, and a Term B loan in the amount of $125.0 million that matures on November 15, 2008. The Avalon credit facilities also provide, at the option of the lenders, for supplemental credit facilities in the amounts of $75 million available until December 31, 2003. Amounts under the Avalon credit facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin up to 2.75% (7.995% to 8.870% as of December 31, 1999). A quarterly commitment fee of between 0.250% and 0.375% per annum is payable on the unborrowed balance. The Company borrowed $170.0 million under the Avalon credit facilities to fund a portion of the Avalon purchase price. As of December 31, 1999, unused availability was $130.0 million.

AVALON NOTES. We acquired Avalon in November and assumed Avalon's outstanding $150 million in principal amount of 11.875% senior discount notes due 2008 and 9.375% senior subordinated notes due 2008 with an accreted value of $123.3 million. As of December 31, 1999, the accreted value of the Avalon 11.875% notes was $124.8 and $150.0 million in principal of the Avalon 9.375% notes remained outstanding. After December 1, 2003, cash interest on the Avalon 11.875% notes will be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2004.

In January 2000, we completed change of control offers in which we repurchased $16.3 million aggregate principal amount of the 11.875% notes at a purchase price of 101% of accreted value, as of January 28, 2000. The aggregate repurchase price of $10.5 million was funded with cash received from equity contributions from Charter Communications Holdings. As of February 29, 2000, Avalon 11.875% notes with an aggregate principal amount of $179.8 million at maturity remained outstanding with an accreted value of $116.4 million.

At the same time, we also completed a change of control offer in which we repurchased $134.0 million aggregate principal amount of the Avalon 9.375% notes for 101% of their principal amount, plus accrued and unpaid interest thereon through January 28, 2000. The aggregate repurchase price was $137.4 million and was funded with equity contributions from Charter Holdings which made the cash available from the proceeds of its sale of the Charter January 2000 notes.

In addition to the above change of control repurchase, we repurchased the remaining Avalon 9.375% notes (including accrued and unpaid interest) in the "open market" for $16.3 million, also using cash received from equity contributions ultimately from Charter Holdings, which made the cash available from the sale proceeds of the January 2000 Charter Holdings notes.

FANCH CREDIT FACILITIES. The Fanch credit facilities provide for two term facilities, one with a principal amount of $450 million that matures May 2008 (Term A), and the other with the principal amount of $400 million that matures November 2008 (Term B). The Fanch credit facilities also provide for a $350 million revolving credit facility with a maturity date in May 2008 and at the options of the lenders, supplemental credit facilities, in the amount of $300.0 million available until December 31, 2004. Amounts under the Fanch credit facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.75% (8.12% to 8.87% as of December 31, 1999). A quarterly commitment fee of between 0.250% and 0.375% per annum is payable on the unborrowed balance. The Company used $850.0 million of the credit facilities to fund a portion of the Fanch purchase price. As of December 31, 1999, unused availability was $350.0 million.

BRESNAN NOTES. We acquired Bresnan in February 2000 and assumed Bresnan's outstanding $170.0 million in principal amount, outstanding, on the acquisition date, of 8% senior notes due 2009 and 9.25% senior discount notes due 2009 with an accreted value of $192.1 million. In March 2000, we repurchased all of the outstanding Bresnan notes at purchase prices of 101% of the outstanding principal amounts plus accrued and unpaid interest or accreted value, as applicable, for a total of $369.7 million.

BRESNAN CREDIT FACILITIES. Upon the closing of the Bresnan acquisition, we amended and assumed the previous Bresnan credit facilities. The Bresnan facilities provide for borrowings of up to $900.0 million. At the closing of the Bresnan acquisition, we borrowed approximately $601.2 million to replace the borrowings outstanding under the previous credit facilities and an additional $30.0 million to fund a portion of the Bresnan purchase price. As of February 29, 2000, $647.9 million was outstanding and $252.1 million was available for borrowing.

JANUARY 2000 CHARTER HOLDINGS NOTES. On January 12, 2000, Charter Holdings and Charter Capital issued $1.5 billion principal amount of senior notes. The January 2000 Charter Holdings notes consisted of $675 million in aggregate principal amount of 10.00% senior notes due 2009, $325 million in aggregate principal amount of 10.25% senior notes due 2010, and $532 million in aggregate principal amount at maturity of 11.75% senior discount notes due 2010. The net proceeds of approximately $1.3 billion were used to consummate change of control offers for certain of the Falcon, Avalon and Bresnan notes and debentures.

Charter Holdings and Charter Capital intend to exchange the January 2000 Charter Holdings notes for notes with substantially similar terms, except that the new notes will be registered and not subject to restrictions on transfer.

As of February 29, 2000, $1.0 billion of the January 2000 Charter Holdings 10.00% and 10.25% senior notes are outstanding, and the accreted value of the 11.75% senior discount notes was approximately $304.9 million.

In August 1999, Vulcan Cable III Inc. contributed to Charter Communications Holding Company $500 million in cash and, in September 1999, an additional $825 million, of which approximately $644.3 million was in cash and approximately $180.7 million was in the form of equity interests acquired by Vulcan Cable III Inc. in connection with the Rifkin acquisition. Charter Communications Holding Company in turn contributed the cash and equity interests to Charter Holdings. In November 1999, in connection with Charter Communications, Inc.'s initial public offering, Vulcan Cable III contributed to Charter Communications Holding Company $750 million in cash. In connection with the Rifkin, Falcon and Bresnan acquisitions, Charter Communications Holding Company issued equity interests totaling approximately $1,068 million and certain subsidiaries of Charter Holdings issued preferred equity interests totaling $629.5 million to the Bresnan sellers.

For a description of our acquisitions completed in 1999 and 2000 and our pending acquisition, see "Business -- Acquisitions."

CERTAIN TRENDS AND UNCERTAINTIES

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

SUBSTANTIAL LEVERAGE. As of December 31, 1999, pro forma for the acquisition of the Bresnan cable systems and the sale of the January 2000 Charter Holdings notes, our total debt was approximately $11.025 billion. We anticipate incurring significant additional debt in the future to fund the expansion, maintenance and the upgrade of our cable systems.

Our ability to make payments on our debt and to fund our planned capital expenditures for upgrading our cable systems and our ongoing operations will depend on our ability to generate cash and secure financing 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. A significant portion 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. See discussion on "-- Interest Rate Risk."

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 a 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.

IMPORTANCE OF GROWTH STRATEGY AND RELATED RISKS. We expect that a substantial portion of any of our future growth will be achieved through revenues from additional services and the acquisition of additional cable systems. We cannot assure you that we will be able to offer new services successfully to our customers or that those new services will generate revenues. In addition, the acquisition of additional cable systems may not have a positive net impact on our operating results. Acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, risks associated with unanticipated events or liabilities and difficulties in assimilation of the operations of the acquired companies, some or all of which could have a material adverse effect on our business, results of operations and financial condition. If we are unable to grow our cash flow sufficiently, we may be unable to fulfill our obligations or obtain alternative financing.

MANAGEMENT OF GROWTH. As a result of the acquisition of the Charter companies by Mr. Allen, the merger of Charter Holdings with Marcus Holdings, our 1999 and 2000 acquisitions and our pending acquisition, we have experienced and will continue to experience 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 successfully integrate the operations acquired and to be acquired and to attract and retain qualified personnel. Historically, acquired entities have had minimal employee benefit related costs and all benefit plans have been terminated with acquired employees transferring to our 401(k) plan. No significant severance cost was incurred in conjunction with acquisitions in 1999 and 2000. 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.

In connection with our acquisitions over the past year, we maintain multi-disciplinary teams to formulate plans for establishing customer service centers, identifying property, plant and equipment requirements and possible reduction of headends. Headends are the control centers of a cable television system where incoming signals are amplified, converted, processed and combined for transmission to customers. These teams also determine market position and how to attract talented personnel. Our goals include rapid transition in achieving performance objectives and implementing "best practice" procedures.

REGULATION AND LEGISLATION. Cable systems are extensively regulated at the federal, state, and local level. These regulations have increased the administrative and operational expenses of cable television systems and affected the development of cable competition. Rate regulation of cable systems has been in place since passage of the Cable Television Consumer Protection and Competition Act of 1992, although the scope of this regulation recently was sharply contracted. Since March 31, 1999, rate regulation exists only with respect to the lowest level of basic cable service and associated equipment. This change affords cable operators much greater pricing flexibility, although Congress could revisit this issue if confronted with substantial rate increases.

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 users, and unaffiliated commercial leased access programmers. This carriage burden could increase in the future, particularly if the Federal Communications Commission 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. The FCC recently rejected a request to allow unaffiliated Internet service providers seeking direct cable access to invoke commercial leased access rights originally devised for video programmers.

There is also uncertainty whether local franchising authorities, 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.

POSSIBLE RESCISSION LIABILITY. The Rifkin, Falcon and Bresnan sellers who acquired Charter Communications Holding Company membership units or, in the case of Bresnan, additional equity interests in one of our subsidiaries, in connection with the respective Rifkin, Falcon and Bresnan acquisitions, and the Helicon sellers who acquired shares of Class A common stock in Charter Communications, Inc.'s initial public offering may have rescission rights against Charter Communications, Inc. and Charter Communications Holding Company, arising out of possible violations of Section 5 of the Securities Act in connection with the offers and sales of these equity interests.

If all of these equity holders successfully exercised their possible rescission rights and we became obligated to repurchase all such equity interests, the total repurchase obligations would be up to approximately $1.8 billion. For financial reporting purposes, this maximum potential obligation has been excluded from stockholders' equity and minority interest and has been classified as redeemable securities (temporary equity). After one year from the dates of issuance of these equity interests (when these rescission rights will have expired), we will reclassify the respective amounts to stockholders' equity and minority interest. We cannot assure you that we would be able to obtain capital sufficient to fund any required repurchases. This could adversely affect our financial condition and results of operations.

YEAR 2000 ISSUES

GENERAL. Many existing computer systems and applications, and other control devices and embedded computer chips use only two digits, rather than four, to identify a year in the date field, failing to consider the impact of the change in the century. Computer chips are the physical structure upon which integrated circuits are fabricated as components of systems, such as telephone systems, computers and memory systems. As a result, such systems, applications, devices, and chips could create erroneous results or might fail altogether unless corrected to properly interpret data related to the year 2000 and beyond. These errors and failures may result, not only from a date recognition problem in the particular part of a system failing, but may also result as systems, applications, devices and chips receive erroneous or improper data from third-parties suffering from the year 2000 problem. In addition, two interacting systems, applications, devices or chips, each of which has individually been fixed so that it will properly handle the year 2000 problem, could nonetheless result in a failure because their method of dealing with the problem is not compatible.

We have not experienced significant disruptions or any other problems since the beginning of 2000. We cannot assure you, however, that such problems will not arise in connection with customer billing or other periodic information gathering.

COST. The total cost of our year 2000 remediation programs was approximately $9.8 million. We do not anticipate significant additional expenditures.

OPTIONS

In accordance with an employment agreement and a related option agreement with Mr. Kent, our President and Chief Executive Officer was issued a grant to purchase 7,044,127 membership units in Charter Communications Holding Company in December 1998. The option vests over a four-year period from the date of grant and expires ten years from the date of grant.

In February 1999, Charter Holdings adopted an option plan, which was assumed by Charter Communications Holding Company in May 1999, providing for the grant of options to employees and consultants and directors of Charter Communications Holding Company and its affiliates to purchase up to 25,009,798 Charter Communications Holding Company membership units. Options granted under the plan will be fully vested after five years from the date of grant. Options not exercised accumulate and are exercisable, in whole or in part, in any subsequent period, but not later than ten years from the date of grant.

Membership units received upon exercise of the options issued to Mr. Kent and to optionees under the plan are automatically exchanged for shares of Class A common stock of Charter Communications, Inc. on a one-for-one basis at any time. The following chart sets forth the number of options outstanding and the exercise price of such options as of December 31, 1999.

		OPTIONS OUTSTANDING			OPTIONS EXERCISABLE
	NUMBER OF OPTIONS	EXERCISE PRICE	TOTAL DOLLARS	REMAINING LIFE (IN YEARS)	NUMBER OF OPTIONS
Outstanding as of January 1, 1999 (1)	7,044,127	$ 20.00	$140,882,540	10.0(3)	1,761,032(4)
Granted:					
February 9, 1999 (2)	9,111,681	20.00	182,233,620		130,000
April 5, 1999 (2)	473,000	20.73	9,805,290		--
November 8, 1999 (2)	4,741,400	19.00	90,086,600		200,000
Cancelled	(612,600)	19.00-20.73	(12,222,572)		--
Outstanding as of December 31, 1999	20,757,608	$ 19.79(3)	$410,785,478	9.2(3)	2,091,032(4)

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(1) Granted to Jerald L. Kent pursuant to his employment agreement and related option agreement.

(2) Granted pursuant to the option plan.

(3) Weighted average.

(4) The weighted average exercise price was $20.00 and $19.90 at December 31, 1998 and 1999, respectively.

The weighted average fair value of options granted was $12.59 and $12.50 at December 31, 1999 and 1998, respectively.

In February 2000, Charter Communications Holding Company granted 5.7 million options at $19.47 per share.

We follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" to account for options issued under the option plan and the options held by our President and Chief Executive Officer. We recorded stock option compensation expense of $845,000 for the period from December 24, 1998 through December 31, 1998 and $80.0 million for the year ended December 31, 1999, in the financial statements since the exercise prices were less than the estimated fair values of the underlying membership units on the date of grant. The estimated fair value was determined using the valuation inherent in Mr. Allen's acquisition of Charter and valuations of public companies in the cable television industry adjusted for factors specific to us. Compensation expense is accrued over the vesting period of each grant that varies from four to five years. As of December 31, 1999, deferred compensation remaining to be recognized in future periods totaled $79.4 million.

SUPPLEMENTAL UNAUDITED PRO FORMA FINANCIAL DATA

The following Supplemental Unaudited Pro Forma Financial Data are based on the financial data of Charter Communications, Inc. Since January 1, 1999, Charter Communications Holding Company and Charter Holdings have closed numerous acquisitions. In addition, Charter Holdings merged with Marcus Holdings in April 1999. Our financial data, on a consolidated basis, are adjusted on a pro forma basis to illustrate the estimated effects of the Bresnan acquisition and the sale of the January 2000 Charter Holdings notes as if such transactions had occurred on December 31, 1999 for the unaudited pro forma balance sheet data and to illustrate the estimated effects of the following transactions as if they had occurred on January 1, 1999 for the unaudited pro forma statements of operations data:

(1) the acquisition of Marcus Cable by Mr. Allen and Marcus Holdings' merger with and into Charter Holdings effective March 31, 1999;

(2) Charter Communications Holding Company and its subsidiaries' acquisitions completed since January 1, 1999;

(3) the refinancing of the previous credit facilities of the Charter Companies and certain subsidiaries acquired in 1999 and 2000;

(4) the sale of the March 1999 Charter Holdings notes and the January 2000 Charter Holdings notes.

The Supplemental Unaudited Pro Forma Financial Data reflect the application of the principles of purchase accounting to the transactions listed in items (1) and (2) above. The allocation of certain purchase prices is based, in part, on preliminary information, which is subject to adjustment upon obtaining complete valuation information of intangible assets. We believe that finalization of the purchase price allocation will not have a material impact on our results of operations or financial position.

The Supplemental Unaudited Pro Forma Financial Data do not purport to be indicative of what our financial position or results of operations would actually have been had the transactions described above been completed on the dates indicated or to project our results of operations for any future date.

	SUPPLEMENTAL UNAUDITED PRO FORMA DATA YEAR ENDED DECEMBER 31, 1999			
	CHARTER COMMUNICATIONS, INC. (A)	1999 ACQUISITIONS	BRESNAN ACQUISITION	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)			
STATEMENT OF OPERATIONS DATA:				
REVENUES:				
Basic	$1,093,547	$ 792,009	$ 219,548	$ 2,105,104
Premium	135,130	103,410	23,377	261,917
Pay-per-view	30,491	17,975	3,742	52,208
Digital video	8,371	1,984	10,202	20,557
Advertising sales	76,868	36,035	20,497	133,400
Cable modem	10,490	2,372	4,531	17,393
Other	198,527	117,185	10,963	326,675
Total revenues	1,553,424	1,070,970	292,860	2,917,254
OPERATING EXPENSES:				
Programming	358,553	297,272	72,862	728,687
General and administrative	261,294	162,644	31,065	455,003
Service	111,595	20,641	32,427	164,663
Marketing	26,801	19,934	7,806	54,541
Other operating expenses	48,544	23,959	17,057	89,560
Depreciation	251,551	159,703	42,920	454,174
Amortization	557,430	489,520	176,995	1,223,945
Option compensation expense	79,979	--	--	79,979
Corporate expense charges	45,863	48,601	15,324	109,788
Management fees	--	15,540	221	15,761
Total operating expenses	1,741,610	1,237,814	396,677	3,376,101
Loss from operations	(188,186)	(166,844)	(103,817)	(458,847)
Interest expense	(502,031)	(334,420)	(181,184)	(1,017,635)
Interest income	4,329	1,329	26	5,684
Other income (expense)	285	(457)	--	(172)
Loss before income taxes and minority interest	(685,603)	(500,392)	(284,975)	(1,470,970)
Income tax expense	(1,030)	(2,555)	(865)	(4,450)
Minority interest (b)	414,899	303,905	180,326	899,130
Net loss	$ (271,734)	$ (199,042)	$(105,514)	$ (576,290)
Basic and diluted loss per common share (c)				$ (2.62)
Weighted average common shares outstanding -- Basic and diluted (d)				220,089,746
Converted loss per common share (e)				$ (2.52)
Weighted average common shares outstanding -- Converted (f)				585,401,969

	SUPPLEMENTAL UNAUDITED PRO FORMA DATA YEAR ENDED DECEMBER 31, 1999			
	CHARTER COMMUNICATIONS, INC. (A)	1999 ACQUISITIONS	BRESNAN ACQUISITION	TOTAL
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)			
OTHER FINANCIAL DATA:				
EBITDA (g)	$ 621,080	$ 481,922	$ 116,098	$ 1,219,100
EBITDA margin (h)	40.0%	45.0%	39.6%	41.8%
Adjusted EBITDA (i)	$ 746,637	$ 546,520	$ 131,643	$ 1,424,800
BALANCE SHEET DATA (at end of period):				
Total assets				$ 22,045,909
Total debt				11,025,460
Minority interest (j)(k)				5,242,533
Redeemable securities (k)				1,846,176
Stockholders' equity (k)				3,068,722
OPERATING DATA (at end of period, except for averages):				
Homes passed (l)	4,040,200	4,787,100	1,025,500	9,852,800
Basic customers (m)	2,274,000	3,178,600	685,600	6,138,200
Basic penetration (n)	56.3	66.4%	66.9%	62.3%
Premium units (o)	1,444,700	1,399,700	300,000	3,144,400
Premium penetration (p)	63.5%	44.0%	43.8%	51.2%
Average monthly revenue per basic customer (q)				$ 39.61

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(a) Includes results of operations for Marcus Holdings for the period from January 1, 1999 through March 31, 1999 and pro forma adjustments related to the issuance and refinancing of debt.

(b) Represents the allocation of 60.4% of the net loss of Charter Communications Holding Company to the minority interest. The net loss of Charter Communications Holding Company has been increased by the amount of the accretion of dividends on the preferred membership units in an indirect subsidiary of Charter Holdings held by certain Bresnan sellers.

(c) Basic and diluted loss per common share assumes none of the membership units of Charter Communications Holding Company or preferred membership units in an indirect subsidiary of Charter Communications Holding Company, held by Bresnan sellers as of February 14, 2000, are exchanged for Charter Communications, Inc. common stock and none of the outstanding options to purchase membership units of Charter Communications Holding Company that are automatically exchanged for Charter Communications, Inc. common stock are exercised. Basic and diluted loss per common share equals net loss divided by weighted average common shares outstanding. If the membership units were exchanged or options exercised, the effects would be antidilutive.

(d) Represents all shares issued to the public and Mr. Allen in November 1999 (195,550,000 shares) plus the additional shares issued to the Rifkin and Falcon sellers through February 14, 2000 (26,539,746 shares).

(e) Converted loss per common share assumes all membership units of Charter Communications Holding Company and preferred membership units in an indirect subsidiary of Charter Communications Holding Company held by Bresnan sellers as of February 14, 2000, are exchanged for Charter Communications, Inc. common stock. If all these shares are converted, minority interest would equal zero. Converted loss per common share is calculated by dividing loss before minority interest by the weighted average common shares outstanding -- converted.

(f) Weighted average common shares outstanding -- converted assumes the total membership units in Charter Communications Holding Company and in an indirect subsidiary of Charter Communications Holding Company held by Bresnan sellers are exchanged for Charter Communications, Inc. common stock.

(g) EBITDA represents earnings (loss) before interest, income taxes, depreciation, amortization and minority interest. EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service indebtedness. However, EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. Management's discretionary use of funds depicted by EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

(h) EBITDA margin represents EBITDA as a percentage of revenues.

(i) Adjusted EBITDA means EBITDA before option compensation expense, corporate expense charges, management fees and other income (expense). Adjusted EBITDA is presented because it is a widely accepted financial indicator of a cable company's ability to service its indebtedness. However, adjusted EBITDA should not be considered as an alternative to income from operations or to cash flows from operating, investing or financing activities, as determined in accordance with generally accepted accounting principles. Adjusted EBITDA should also not be construed as an indication of a company's operating performance or as a measure of liquidity. In addition, because adjusted EBITDA is not calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Management's discretionary use of funds depicted by adjusted EBITDA may be limited by working capital, debt service and capital expenditure requirements and by restrictions related to legal requirements, commitments and uncertainties.

(j) Represents total members' equity of Charter Communications Holding Company, pro forma for the Bresnan acquisition, multiplied by 60.4%, which represents the ownership percentage of Charter Communications Holding Company not owned by Charter Communications, Inc., plus preferred equity interests outstanding issued to the Rifkin and Bresnan sellers.

(k) The Rifkin, Falcon, Helicon and Bresnan sellers who own equity interests in Charter Communications, Inc. and certain direct and indirect subsidiaries may have rescission rights arising out of possible violations of Section 5 of the Securities Act of 1933, as amended, in connection with the offers and sales of those equity interests. Accordingly, the maximum potential cash obligation related to the rescission rights, estimated at $1.8 billion, has been excluded from stockholders' equity and minority interest, and classified as redeemable securities. One year after the dates of issuance of these equity interests (when these rescission rights will have expired), we will reclassify the respective amounts to stockholders' equity and minority interest. See "Certain Trends and Uncertainties -- Possible Rescission Liability."

Pro forma revenues and adjusted EBITDA for the four quarters of 1999 is as follows (in thousands):

THREE MONTHS ENDED	REVENUES	ADJUSTED EBITDA
March 31, 1999	$ 711,190	$ 345,973
June 30, 1999	720,858	348,061
September 30, 1999	730,460	360,427
December 31, 1999	754,746	370,339
Total	$2,917,254	$1,424,800

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(l) Homes passed are the number of living units, such as single residence homes, apartments and condominium units, passed by the cable television distribution network in a given cable system service area.

(m) Basic customers are customers who receive basic cable service.

(n) Basic penetration represents basic customers as a percentage of homes passed.

(o) Premium units represent the total number of subscriptions to premium channels.

(p) Premium penetration represents premium units as a percentage of basic customers.

(q) Average monthly revenue per basic customer represents revenues divided by the number of months in the period divided by the number of basic customers at period end.

The following information presents the operating results for the fourth quarter of 1999 as compared to the fourth quarter of 1998 for the cable systems owned or managed by us as of October 1, 1998. For this analysis, the results of the Marcus cable systems are included as Charter began managing these systems on October 6, 1998.

STATEMENTS OF OPERATIONS AND OPERATING DATA (UNAUDITED)
(DOLLAR AMOUNTS IN MILLIONS, EXCEPT CUSTOMER DATA)

	THREE MONTHS ENDED DECEMBER 31, 1999	THREE MONTHS ENDED DECEMBER 31, 1998
Revenues:		
Basic	$ 203.6	$ 187.5
Premium	25.1	25.7
Pay-per-view	5.3	4.5
Digital video	2.3	0.1
Advertising sales	13.7	9.6
Cable modem	2.6	0.7
Other	38.3	36.6
Total revenues	290.9	264.7
Operating Expenses:		
Programming	67.0	60.9
General and administrative	53.3	48.4
Service	17.9	20.7
Marketing	3.4	3.9
Other operating expenses	7.6	4.6
Total operating expenses	149.2	138.5
Adjusted EBITDA	$ 141.7	$ 126.2
Homes passed	3,863,400	3,786,300
Basic customers	2,274,000	2,205,500
Basic penetration	58.9%	58.2%
Premium units	1,398,800	1,232,500
Digital video customers	53,900	460
Cable modem customers	30,000	4,900
Average monthly revenue per basic customer	$ 42.64	$ 40.01

Revenues increased by $26.2 million or 9.9% when comparing the revenues for the three months ended December 31, 1999 to the results for the comparable systems for the three months ended December 31, 1998. This increase is due to a net gain of approximately 68,500 or 3.1% basic customers between quarters and retail rate increases implemented in certain of our systems. The net gain of 3.1% for basic customer growth between the comparable periods was the weighted average of 3.6% customer growth from the Charter systems and 2.4% growth experienced by the Marcus cable systems. In addition, we have increased our ratio of premium subscriptions to basic customers from 0.56 to 1.00 to 0.62 to 1.00 as a result of marketing multiple premium subscriptions in a packaged format at a discounted retail rate.

Total operating expenses increased approximately $10.7 million or 7.7% when comparing the operating expenses for the quarter ended December 31, 1999 to the results for the same systems for the quarter ended December 31, 1998. This increase is primarily due to increases in license fees paid for programming as a result of additional subscribers, new channels launched and increases in the rates paid for programming services. We believe that the increases in programming expense are consistent with industry-wide increases.

We experienced growth in adjusted EBITDA of approximately $15.5 million or 12.3% when comparing adjusted EBITDA for the quarter ended December 31, 1999 to the results for the same systems for the quarter ended December 31, 1998. Adjusted EBITDA margin increased from 47.7% to 48.7% when comparing the similar periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATE RISK

The use of interest rate risk management instruments, such as interest rate exchange agreements, interest rate cap agreements and interest rate collar agreements is required under the terms of the credit facilities of our subsidiaries. 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. Collars limit our exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

Our participation in interest rate hedging transactions involves instruments that have a close correlation with its debt, thereby managing its risk. Interest rate hedge agreements have been designed for hedging purposes and are not held or issued for speculative purposes.

The table set forth below summarizes the fair values and contract terms of financial instruments subject to interest rate risk maintained by us as of December 31, 1999 (dollars in thousands):

	EXPECTED MATURITY DATE							FAIR VALUE AT DECEMBER 31, 1999
	2000	2001	2002	2003	2004	THEREAFTER	TOTAL	
DEBT								
Fixed Rate.....................	--	--	--	$ 72,979	--	$4,774,084	$4,847,063	$3,896,241
Average Interest Rate........	--	--	--	11.8%	--	9.2%	9.2%	
Variable Rate..................	$ --	$ 5,000	$ 93,875	$211,250	$266,423	$4,214,952	$4,791,500	$4,791,500
Average Interest Rate........	--	9.1%	8.9%	9.0%	9.1%	9.5%	9.5%	
INTEREST RATE INSTRUMENTS								
Variable to Fixed Swaps........	$2,600,000	$790,000	$350,000	$140,000	$270,000	$ 392,713	$4,542,713	$ (47,220)
Average Pay Rate............	8.4%	7.8%	7.5%	7.2%	6.9%	7.7%	8.1%	
Average Receive Rate.........	8.3%	9.2	9.1%	8.9%	8.8%	9.1%	8.6%	
Cap............................	--	--	$ 15,000	--	--	--	$ 15,000	$ 16
Average Cap Rate............	--	--	9.0%	--	--	--	9.0%	
Collars........................	$ 195,000	$ 45,000	--	--	--	--	$ 240,000	$ (199)
Average Cap Rate............	8.8%	8.7%	--	--	--	--	8.8%	
Average Floor Rate...........	7.8%	7.6%	--	--	--	--	7.7%	

The notional amounts of interest rate instruments, as presented in the above table, are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value approximates the costs (proceeds) to settle the outstanding contracts. Interest rates on variable debt are estimated using the average implied forward London Interbank Offering Rate (LIBOR) rates for the year of maturity based on the yield curve in effect at December 31, 1999. While swaps, caps and collars represent an integral part of our interest rate risk management program, their incremental effect on interest expense for the years ended December 31, 1999, 1998, and 1997 was not significant.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our consolidated financial statements, predecessor financial statements and certain financial statements of entities or cable systems we acquired (as required to comply with the application of Rule 3-05 of Regulation S-X and Staff Accounting Bulletin 80), the related notes thereto, and the reports of independent auditors are included in this Annual Report beginning of page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information required by this Item that is not set forth below is incorporated by reference to our Proxy Statement for the 2000 Annual Meeting of Stockholders.

Information regarding our executive officers is set forth below.

Except for Mr. Riddle, our executive officers were appointed to their position shortly after our formation in July 1999, and became employees of Charter Communications, Inc. upon completion of our initial public offering. Prior to that time, they were employees of Charter Investment, Inc. All of our executive officers simultaneously serve in the same capacity with Charter Investment, Inc.

JERALD L. KENT, 43, President and Chief Executive Officer. Mr. Kent co-founded Charter Investments, Inc., in 1993, Mr. Kent was executive vice president and chief financial officer of Cencom Cable Associates, Inc. where he previously held other executive positions. Earlier he was with Arthur Andersen LLP, where he attained the position of tax manager. Mr. Kent, a certified public accountant, received a bachelors degree and a M.A. from Washington University.

DAVID G. BARFORD, 41, Senior Vice President of Operations -- Western Division. Prior to joining Charter Investment, Inc. in 1995, Mr. Barford held various senior marketing and operating roles during nine years at Comcast Cable Communications, Inc. He received a B.A. from California State University, Fullerton, and an M.B.A. from National University.

MARY PAT BLAKE, 44, Senior Vice President -- Marketing and Programming. Prior to joining Charter Investment, Inc. in 1995, Ms. Blake was active in the emerging business sector and formed Blake Investments, Inc. in 1993. She has 18 years of experience with senior management responsibilities in marketing, sales, finance, systems, and general management. Ms. Blake received a B.S. from the University of Minnesota and an M.B.A. from the Harvard Business School.

ERIC A. FREESMEIER, 47, Senior Vice President -- Administration. From 1986 until joining Charter Investment, Inc. in 1998, Mr. Freesmeier served in various executive management positions at Edison Brothers Stores, Inc. Earlier he held management and executive positions at Montgomery Ward. Mr. Freesmeier holds bachelor's degrees from the University of Iowa and a master's degree from Northwestern University's Kellogg Graduate School of Management.

THOMAS R. JOKERST, 50, Senior Vice President -- Advanced Technology Development. Mr. Jokerst joined Charter Investment, Inc. in 1994. Previously he served as a vice president of Cable Television Laboratories and as a regional director of engineering for Continental Cablevision. He is a graduate of Ranken Technical Institute and of Southern Illinois University.

KENT D. KALKWARF, 40, Senior Vice President and Chief Financial Officer. Prior to joining Charter Investment, Inc. in 1995, Mr. Kalkwarf was employed for 13 years by Arthur Andersen LLP, where he attained the position of senior tax manager. He has extensive experience in cable, real estate, and international tax issues. Mr. Kalkwarf has a B.S. from Illinois Wesleyan University and is a certified public accountant.

RALPH G. KELLY, 43, Senior Vice President -- Treasurer. Prior to joining Charter Investment, Inc. in 1993, Mr. Kelly was controller and then treasurer of Cencom Cable Associates. He left Charter in 1994, to become chief financial officer of CableMaxx, Inc., and returned in 1996. Mr. Kelly received his bachelor's degree in accounting from the University of Missouri -- Columbia and his M.B.A. from Saint Louis University.

DAVID L. MCCALL, 44, Senior Vice President of Operations -- Eastern Division. Prior to joining Charter Investment, Inc. in 1995, Mr. McCall was associated with Crown Cable and its predecessor company, Cencom Cable Associates, Inc., from 1983 to 1994. Mr. McCall has served as a director of the South Carolina Cable Television Association for the past ten years and is a member of the Southern Cable Association's Tower Club.

JOHN C. PIETRI, 50, Senior Vice President -- Engineering. Prior to joining Charter Investment, Inc. in 1998, Mr. Pietri was with Marcus Cable for 8 years, most recently serving as senior vice president and chief technical officer. Earlier he was in operations with West Marc Communications and Minnesota Utility Contracting. Mr. Pietri attended the University of Wisconsin-Oshkosh.

MICHAEL E. RIDDLE, 41, Senior Vice President and Chief Information Officer. Prior to joining Charter Communications, Inc. in 1999, Mr. Riddle was director, applied technologies of Cox Communications for four years. Prior to that, he held technical and management positions during four years at Southwestern Bell and its subsidiaries. Mr. Riddle attended Fort Hays State University.

STEVEN A. SCHUMM, 47, Executive Vice President, Assistant to the President. Prior to joining Charter Investment, Inc. in 1998, Mr. Schumm was managing partner of the St. Louis office of Ernst & Young LLP, where he was a partner for 14 of 24 years. He served as one of 10 members of the firm's National Tax Committee. Mr. Schumm earned a B.S. degree from Saint Louis University.

CURTIS S. SHAW, 51, Senior Vice President, General Counsel and Secretary. Prior to joining Charter Investment, Inc. in 1997, Mr. Shaw served as corporate counsel to NYNEX since 1988. He has over 25 years of experience as a corporate lawyer, specializing in mergers and acquisitions, joint ventures, public offerings, financings, and federal securities and antitrust law. Mr. Shaw received a B.A. from Trinity College and a J.D. from Columbia University School of Law.

STEPHEN E. SILVA, 40, Senior Vice President -- Corporate Development and Technology. From 1983 until joining Charter Investment, Inc. in 1995, Mr. Silva served in various management positions at U.S. Computer Services, Inc. He is a member of the board of directors of High Speed Access Corp.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item is incorporated by reference to our Proxy Statement for the 2000 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required by this Item is incorporated by reference to our Proxy Statement for the 2000 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by this Item is incorporated by reference to our Proxy Statement for the 2000 Annual Meeting of Stockholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as part of this Annual Report:

(1) Financial Statements.

A listing of the financial statements, notes and reports of independent public accountants required by Item 8 begins on page F-1 of this Annual Report.

(2) Financial Statement Schedules.

No financial statement schedules are required to be filed by Items 8 and 14(d) because they are not required or are not applicable, or the required information is set forth in the applicable financial statements or notes thereto.

(3) Exhibits (listed by numbers corresponding to the Exhibit Table of Item 601 in Regulation S-K).

(b) Reports on Form 8-K

On November 29, 1999, the Registrant filed a current report on Form 8-K related to the acquisition of cable systems of Fanch Cablevision L.P. and affiliates on November 12, 1999 and the acquisition of Avalon Cable LLC on November 15, 1999, reported in part I, Item 2 thereof, as follows:

1. Charter Communications Holding Company, acquired certain equity interest and assets of cable systems serving approximately 538,000 customers for an aggregate purchase price of $2.4 billion, and

2. Charter Communications Holding Company, completed its acquisition of Avalon for an aggregate purchase price of $845 million including assumed debt of approximately $273.3 million.

On November 29, 1999, the Registrant filed a current report on Form 8-K related to the acquisition of Falcon Communications, L.P. and affiliates on November 12, 1999, reported in part I, Item 2 thereof, as follows:

1. Charter Communications Holding Company, acquired certain equity interest and assets of cable systems serving approximately 1,004,000 customers in exchange for cash of approximately $1.2 billion, $550 million of equity in Charter Communications Holding Company and $1.7 billion of assumed debt.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Charter Communications, Inc. has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHARTER COMMUNICATIONS, INC.,
Registrant

By: /s/ Jerald L. Kent

Jerald L. Kent
President and
Chief Executive Officer

Date: March 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Charter Communications, Inc. and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ PAUL G. ALLEN Paul G. Allen	Chairman of the Board of Directors	March 28, 2000
/s/ JERALD L. KENT Jerald L. Kent	President, Chief Executive Officer, Director (Principal Executive Officer)	March 28, 2000
/s/ KENT D. KALKWARF Kent D. Kalkwarf	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 28, 2000
/s/ MARC B. NATHANSON Marc B. Nathanson	Director	March 28, 2000
/s/ RONALD L. NELSON Ronald L. Nelson	Director	March 28, 2000
/s/ NANCY B. PERETSMAN Nancy B. Peretsman	Director	March 28, 2000
/s/ WILLIAM D. SAVOY William D. Savoy	Director	March 28, 2000
/s/ HOWARD L. WOOD Howard L. Wood	Director	March 28, 2000

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
1.1	Purchase Agreement, dated as of January 6, 2000 by and among Charter Communications Holdings, LLC, Charter Communications Capital Corporation and Goldman, Sachs & Co., Chase Securities Inc., FleetBoston Robertson Stephens Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Morgan Stanley & Co. Incorporated, TD Securities (USA) Inc., First Union Securities, Inc., PNC Capital Markets, Inc. and SunTrust Equitable Securities Corporation(22)
2.1	Merger Agreement, dated March 31, 1999, by and between Charter Communications Holdings, LLC and Marcus Cable Holdings, LLC(1)
2.2(a)	Membership Purchase Agreement, dated as of January 1, 1999, by and between ACEC Holding Company, LLC and Charter Communications, Inc. (now called Charter Investment, Inc.)(2)
2.2(b)	Assignment of Membership Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Entertainment II, LLC(2)
2.3(a)	Asset Purchase Agreement, dated as of February 17, 1999, among Greater Media, Inc., Greater Media Cablevision, Inc. and Charter Communications, Inc. (now called Charter Investment, Inc.)(2)
2.3(b)	Assignment of Asset Purchase Agreement, dated as of February 23, 1999, by and between Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Entertainment I, LLC(2)
2.4	Purchase Agreement, dated as of February 23, 1999, by and among Charter Communications, Inc. (now called Charter Investment, Inc.), Charter Communications, LLC, Renaissance Media Holdings LLC and Renaissance Media Group LLC(2)
2.5	Purchase Agreement, dated as of March 22, 1999, among Charter Communications, Inc. (now called Charter Investment, Inc.), Charter Communications, LLC, Charter Helicon, LLC, Helicon Partners I, L.P., Baum Investments, Inc. and the limited partners of Helicon Partners I, L.P.(2)
2.6(a)	Asset and Stock Purchase Agreement, dated April 20, 1999, between Intermedia Partners of West Tennessee, L.P. and Charter Communications, LLC(1)
2.6(b)	Stock Purchase Agreement, dated April 20, 1999, between TCID 1P-V, Inc. and Charter Communications, LLC(1)
2.6(c)	RMG Purchase Agreement, dated as of April 20, 1999, between Robin Media Group, Inc., InterMedia Partners of West Tennessee, L.P. and Charter RMG, LLC(1)
2.6(d)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners Southeast, Charter Communications, LLC, Charter Communications Properties, LLC, and Marcus Cable Associates, L.L.C.(1)
2.6(d)(i)	Amendment to Asset Exchange Agreement, made as of October 1, 1999, by and among InterMedia Partners Southeast and Charter Communications, LLC, Charter Communications Properties, LLC and Marcus Cable Associates, L.L.C.(6)
2.6(e)	Asset Exchange Agreement, dated April 20, 1999, among InterMedia Partners, a California Limited Partnership, Brenmor Cable Partners, L.P. and Robin Media Group, Inc.(1)
2.6(f)	Common Agreement, dated April 20, 1999, between InterMedia Partners, InterMedia Partners Southeast, InterMedia Partners of West Tennessee, L.P., InterMedia Capital Partners IV, L.P., InterMedia Partners IV, L.P., Brenmor Cable Partners, L.P., TCID IP-V, Inc., Charter Communications, LLC, Charter Communications Properties, LLC, Marcus Cable Associates, L.L.C. and Charter RMG, LLC(4)+

EXHIBIT	DESCRIPTION
2.7(a)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among InterLink Communications Partners, LLLP, the sellers listed therein and Charter Communications, Inc. (now called Charter Investment, Inc.)(1)
2.7(b)	Purchase and Sale Agreement, dated as of April 26, 1999, by and among Rifkin Acquisition Partners, L.L.L.P., the sellers listed therein and Charter Communications, Inc. (now called Charter Investment, Inc.)(2)
2.7(c)	RAP Indemnity Agreement, dated April 26, 1999, by and among the sellers listed therein and Charter Communications, Inc. (now called Charter Investment, Inc.)(2)
2.7(d)	Assignment of Purchase Agreement with InterLink Communications Partners, LLLP, dated as of June 30, 1999, by and between Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Operating, LLC(2)
2.7(e)	Assignment of Purchase Agreement with Rifkin Acquisition Partners L.L.L.P., dated as of June 30, 1999, by and between Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Operating, LLC(2)
2.7(f)	Assignment of RAP Indemnity Agreement, dated as of June 30, 1999, by and between Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Operating, LLC(2)
2.7(g)	Amendment to the Purchase Agreement with InterLink Communications Partners, LLLP, dated June 29, 1999(5)
2.7(h)	Contribution Agreement, dated as of September 14, 1999, by and among Charter Communications Operating, LLC, Charter Communications Holding Company, LLC, Charter Communications, Inc., Paul G. Allen and the certain other individuals and entities listed on the signature pages thereto(6)
2.7(i)	Form of First Amendment to the Contribution Agreement dated as of September 14, 1999, by and among Charter Communications Operating, LLC, Charter Communications Holding Company, LLC, Charter Communications, Inc. and Paul G. Allen.(7)
2.8	Contribution and Sale Agreement dated as of December 30, 1999, by and among Charter Communications Holding Company, LLC, CC VII Holdings, LLC and Charter Communications VII, LLC(8)
2.9	Contribution and Sale Agreement dated as of December 30, 1999, by and among Charter Communications Holding Company, LLC and Charter Communications Holdings, LLC(8)
2.10(a)	Securities Purchase Agreement, dated May 13, 1999, by and between Avalon Cable Holdings LLC, Avalon Investors, L.L.C., Avalon Cable of Michigan Holdings, Inc. and Avalon Cable LLC and Charter Communications Holdings LLC and Charter Communications, Inc. (now called Charter Investment, Inc.)(9)
2.10(b)	Assignment and Contribution Agreement, entered into as of October 11, 1999 by and between Charter Communications Holding Company, LLC and Charter Communications, Inc.(6)
2.10(c)	Assignment Agreement effective as of June 16, 1999, by and among Charter Communications, Inc., Charter Communications Holdings LLC, Charter Communications Holding Company, LLC, Avalon Cable Holdings LLC, Avalon Investors, L.L.C., Avalon Cable of Michigan Holdings, Inc. and Avalon Cable LLC(6)
2.11(a)	Purchase and Contribution Agreement, dated as of May 26, 1999, by and among Falcon Communications, L.P., Falcon Holding Group, L.P., TCI Falcon Holdings, LLC, Falcon Cable Trust, Falcon Holding Group, Inc. and DHN Inc. and Charter Communications, Inc. (now called Charter Investment, Inc.)(10)

EXHIBIT	DESCRIPTION
2.11(b)	First Amendment to Purchase and Contribution Agreement, dated as of June 22, 1999, by and among Charter Communications, Inc., Charter Communications Holding Company, LLC, Falcon Communications, L.P., Falcon Holding Group, L.P., TCI Falcon Holdings, LLC, Falcon Cable Trust, Falcon Holding Group, Inc. and DHN Inc.(11)
2.11(c)	Form of Second Amendment to Purchase And Contribution Agreement, dated as of October 27, 1999, by and among Charter Investment, Inc., Charter Communications Holding Company, LLC, Falcon Communications, L.P., Falcon Holding Group, L.P., TCI Falcon Holdings, LLC, Falcon Holding Group, Inc. and DHN Inc.(7)
2.11(d)	Third Amendment to Purchase and Contribution Agreement dated as of November 12, 1999, by and among Charter Communications, Inc., Falcon Communications L.P., Falcon Holdings Group, L.P., TCI Falcon Holdings, LLC, Falcon Cable Trust, Falcon Holding Group, Inc. and DHN Inc. (12)
2.12(a)	Purchase Agreement, dated as of May 21, 1999, among Blackstone TWF Capital Partners, L.P., Blackstone TWF Capital Partners A L.P., Blackstone TWF Capital Partners B L.P., Blackstone TWF Family Investment Partnership, L.P., RCF Carry, LLC, Fanch Management Partners, Inc., PBW Carried Interest, Inc., RCF Indiana Management Corp, The Robert C. Fanch Revocable Trust, A. Dean Windry, Thomas Binning, Jack Pottle, SDG/Michigan Communications Joint Venture, Fanch-JV2 Master Limited Partnership, Cooney Cable Associates of Ohio, Limited Partnership, North Texas Cablevision, LTD., Post Cablevision of Texas, Limited Partnership, Spring Green Communications, L.P., Fanch-Narragansett CSI Limited Partnership, and Fanch Cablevision of Kansas General Partnership and Charter Communications, Inc. (now called Charter Investment, Inc.)(10)
2.12(b)	Assignment of Purchase Agreement by and between Charter Investment, Inc. and Charter Communications Holding Company, LLC, effective as of September 21, 1999(6)
2.13	Purchase and Contribution Agreement, entered into as of June 1999, by and among BCI (USA), LLC, William Bresnan, Blackstone BC Capital Partners L.P., Blackstone BC Offshore Capital Partners L.P., Blackstone Family Investment Partnership III L.P., TCID of Michigan, Inc. and TCI Bresnan LLC and Charter Communications Holding Company, LLC (now called Charter Investment, Inc.)(10)
3.1	Form of Restated Certificate of Incorporation of Registrant(6)
3.2	Form of Bylaws of Registrant(6)
3.2(a)	Amendment to Bylaws
4.1	Form of certificate evidencing shares of Class A common stock(10)
4.1(a)	Indenture relating to the 10.00% Senior notes due 2009, dated as of January 12, 2000 between Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(22)
4.1(b)	Form of 10.00% Senior Note due 2010(22)
4.1(c)	Exchange and Registration Rights Agreement, dated January 12, 2000, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, Goldman, Sachs & Co., Chase Securities Inc., FleetBoston Robertson Stephens Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Morgan Stanley & Co. Incorporated, TD Securities (USA) Inc., First Union Securities, Inc., PNC Capital Markets, Inc. and SunTrust Equitable Securities Corporation, relating to the 10.00% Senior Notes due 2009(22)
4.2(a)	Indenture relating to the 10.25% Senior Notes due 2010, dated as of January 12, 2000, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(22)
4.2(b)	Form of 10.25% Senior Note due 2010 (included in Exhibit No. 4.2(a))(22)

EXHIBIT	DESCRIPTION
4.2(c)	Exchange and Registration Rights Agreement, dated January 12, 2000, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, Goldman, Sachs & Co., Chase Securities Inc., FleetBoston Robertson Stephens Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Morgan Stanley & Co. Incorporated, TD Securities (USA) Inc., First Union Securities, Inc., PNC Capital Markets, Inc. and SunTrust Equitable Securities Corporation, relating to the 10.25% Senior Notes due 2010(22)
4.3(a)	Indenture relating to the 11.75% Senior Discount Notes due 2010, dated as of January 12, 2000, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(22)
4.3(b)	Form of 11.75% Senior Discount Note due 2010 (included in Exhibit No. 4.3(a))(22)
4.3(c)	Exchange and Registration Rights Agreement, dated January 12, 2000, by and among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation, Goldman, Sachs & Co., Chase Securities Inc., FleetBoston Robertson Stephens Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, TD Securities (USA) Inc., First Union Securities, Inc., PNC Capital Markets, Inc. and SunTrust Equitable Securities Corporation, relating to the 11.75% Senior Discount Notes due 2010(22)
4.4(a)	Indenture relating to the 8.250% Senior Notes due 2007, dated as of March 17, 1999, between Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(1)
4.4(b)	Indenture relating to the 8.625% Senior Notes due 2009, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(1)
4.4(c)	Indenture relating to the 9.920% Senior Discount Notes due 2011, dated as of March 17, 1999, among Charter Communications Holdings, LLC, Charter Communications Holdings Capital Corporation and Harris Trust and Savings Bank(1)
4.4(d)	Indenture, dated as of April 9, 1998, by and among Renaissance Media (Louisiana) LLC, Renaissance Media (Tennessee) LLC, Renaissance Media Capital Corporation, Renaissance Media Group LLC and United States Trust Company of New York, as trustee(14)
4.4(e)	Indenture, dated January 15, 1996, by and among Rifkin Acquisition Partners, L.L.L.P., Rifkin Acquisition Capital Corp., as issuers, Cable Equities of Colorado Management Corp., FNI Management Corp., Cable Equities of Colorado, Ltd., Cable Equities, Inc. and Rifkin/ Tennessee, Ltd., as Subsidiary Guarantors, and Marine Midland Bank, as trustee(15)
4.5	Indenture, dated February 2, 1999, among Bresnan Communications Group LLC, Bresnan Capital Corporation and State Street Bank and Trust Company, as trustee, relating to the Issuers' $170,000,000 principal amount of 8% Senior Notes due 2009 and $275,000,000 aggregate principal amount at maturity of 9 1/4% Senior Discount Notes due 2009(16)
4.6	Indenture, dated as of December 10, 1998 by and among Avalon Cable of Michigan Holdings, Inc., Avalon Cable LLC and Avalon Cable Holdings Finance, Inc., as issuers and The Bank of New York, as trustee for the Notes(20)
4.7	Supplemental Indenture, dated as of March 26, 1999 by and among Avalon Cable of Michigan Holdings, Inc., Avalon Cable LLC and Avalon Cable Holdings Finance, Inc., as issuers, Avalon Cable of Michigan, Inc., as guarantor, and The Bank of New York, as trustee for the Notes(19)
10.1	Credit Agreement, dated as of March 18, 1999, between Charter Communications Operating, LLC, and certain lenders and agents named therein(1)

EXHIBIT	DESCRIPTION
10.1(a)	First Amendment to Credit Agreement dated as of June 28, 1999, between Charter Communications Operating, LLC, Charter Communications Holdings LLC and certain lenders and agents named therein(27)
10.1(b)	Second Amendment to Credit Agreement dated as of December 14, 1999, between Charter Communications Operating, LLC, Charter Communications Holdings LLC and certain lenders and agents named therein(27)
10.1(c)	Third Amendment to Credit Agreement dated as of March 18, 2000, between Charter Communications Operating, LLC, Charter Communications Holdings, LLC and certain lenders and agents named therein
10.2(a)	Form of Second Amended Management Agreement, dated as of November 9, 1999, by and among Charter Investment, Inc., Charter Communications, Inc. and Charter Communications Operating, LLC(6)
10.2(b)	Form of Mutual Services Agreement, dated as of November 9, 1999, by and between Charter Communications, Inc. and Charter Investment, Inc.(10)
10.2(c)	Form of Management Agreement, dated as of November 9, 1999, by and between Charter Communications Holding Company, LLC and Charter Communications, Inc.(6)
10.2(d)	Management Agreement, dated as of November 12, 1999, by and between CC VI Operating Company, LLC and Charter Communications, Inc.
10.2(e)	Management Agreement, dated as of November 12, 1999, by and between Falcon Cable Communications, LLC and Charter Communications, Inc.
10.2(f)	Management Agreement, dated as of February 14, 2000, by and between CC VIII Operating, LLC, certain subsidiaries of CC VIII Operating, LLC and Charter Communications, Inc.
10.3	Consulting Agreement, dated as of March 10, 1999, by and between Vulcan Northwest Inc., Charter Communications, Inc. (now called Charter Investment, Inc.) and Charter Communications Holdings, LLC(2)
10.4	Charter Communications Holdings, LLC 1999 Option Plan(2)
10.4(a)	Assumption Agreement regarding option plan, dated as of May 25, 1999, by and between Charter Communications Holdings, LLC and Charter Communications Holding Company, LLC(5)
10.4(b)	Form of Amendment No. 1 to the Charter Communications Holdings, LLC 1999 Option Plan(3)
10.4(c)	Amendment No. 2 to the Charter Communications Holdings, LLC 1999 Option Plan
10.5	Membership Interests Purchase Agreement, dated July 22, 1999, by and between Charter Communications Holding Company, LLC and Paul G. Allen(5)
10.6	Employment Agreement, dated as of August 28, 1998, between Jerald L. Kent and Paul G. Allen(13)
10.7	Assignment of Employment Agreements, dated as of December 23, 1998, between Paul G. Allen and Charter Communications, Inc. (now called Charter Investment, Inc.)(5)
10.8(a)	Option Agreement, dated as of February 9, 1999, between Jerald L. Kent and Charter Communications Holdings, LLC(5)
10.8(b)	Amendment to the Option Agreement, dated as of August 23, 1999, between Jerald L. Kent and Charter Communications Holding Company, LLC(5)
10.8(c)	Form of Amendment to the Option Agreement, dated as of November 8, 1999, by and among Jerald L. Kent, Charter Communications Holding Company, LLC and Charter Communications, Inc.(3)

EXHIBIT	DESCRIPTION
10.9	Letter Agreement, dated as of July 22, 1999 between Charter Communications Holding Company, LLC and Charter Communications Holdings, LLC(12)
10.10	Amendment to Membership Interests Purchase Agreement, dated as of August 10, 1999, by and among Charter Communications Holding Company, LLC, Vulcan Cable III Inc. and Paul G. Allen(5)
10.11	Form of Assignment and Assumption Agreement, dated as of November 4, 1999, by and between Charter Investment, Inc. and Charter Communications, Inc.(10)
10.12	Form of Registration Rights Agreement, dated as of November 12, 1999, by and among Charter Communications, Inc., Charter Investment, Inc., Vulcan Cable III Inc., Mr. Paul G. Allen, Mr. Jerald L. Kent, Mr. Howard L. Wood and Mr. Barry L. Babcock(6)
10.13	Form of Consulting Agreement, dated as of October 18, 1999, by and between Barry L. Babcock and Charter Communications, Inc.(3)
10.14	Form of Termination of Employment Agreement, dated as of October 18, 1999, by and between Barry L. Babcock and Charter Investment, Inc., Charter Communications, Inc. and Charter Communications Holding Company, LLC(19)
10.15	Form of Consulting Agreement, dated as of November 1, 1999, by and between Howard L. Wood and Charter Communications, Inc.(3)
10.16	Form of Termination of Employment Agreement, dated as of November 1, 1999, by and between Howard L. Wood and Charter Investment, Inc., Communications, Inc. and Charter Communications Holding Company, LLC.(3)
10.17	Letter Agreement, dated September 21, 1999, by and among Charter Communications, Inc., Charter Investment, Inc., Charter Communications Holding Company, Inc. and Vulcan Ventures Inc.(6)
10.18	Loan Agreement dated as of February 2, 1999 among Bresnan Telecommunications Company LLC, various lending institutions, Toronto Dominion (Texas), Inc., as the Administrative Agent for the Lenders, with TD Securities (USA) Inc., Chase Securities Inc., the Bank of Nova Scotia, BNY Capital Markets, Inc. and NationsBanc Montgomery Securities LLC, collectively, the Arranging Agents, Chase Securities Inc., as Syndication Agent, the Bank of Nova Scotia, the Bank of New York Company, Inc., and NationsBanc Montgomery Securities LLC, as Documentation Agents, and TD Securities (USA) Inc., and Chase Securities Inc., as Joint Book Managers and Joint Lead Arrangers(16)
10.18(a)	Amended and Restated Credit Agreement dated as of February 14, 2000 by and among CC VIII Operating, LLC, as borrower, CC VIII Holdings, LLC, as guarantor, and several financial institutions or entities named therein
10.18(b)	Guarantee and Collateral Agreement, dated February 14, 2000, made by CC VIII Holdings, LLC, CC VIII Operating, LLC, and certain of its Subsidiaries in favor of Toronto Dominion (Texas), Inc., as Administrative Agent(21)
10.19	Credit Agreement, dated as of November 15, 1999, among Avalon Cable LLC, CC Michigan, LLC, CC New England, LLC, and several financial institutions or entities named therein.(18)
10.19	First Amendment to Credit Agreement, dated December 21, 1999, by and among CC Michigan, LLC and CC New England, LLC as borrowers, CC V Holdings, LLC as guarantor and several financial institutions or entities named therein(22)
10.20(c)	Form of Credit Agreement, dated as of June 30, 1998, as Amended and Restated as of November 12, 1999, among Falcon Cable Communications, LLC, certain guarantors, and several financial institutions or entities named therein(6)
10.21	Credit Agreement, dated as of November 12, 1999, among CC VI Holdings, LLC, CC VI Operating Company, LLC, and several financial institutions or entities named therein(17)

EXHIBIT	DESCRIPTION
10.22	Amended and Restated Limited Liability Company Agreement for Charter Communications Holding Company, LLC, dated February 14, 2000(26)
10.23	Letter Agreement, dated May 25, 1999, between Charter Communications, Inc. and Marc Nathanson(22)
10.24	Exchange Agreement, dated as of February 14, 2000, by and among Charter Communications, Inc., BCI (USA), LLC, William J. Bresnan, Blackstone BC Capital Partners L.P., Blackstone BC Offshore Capital Partners L.P., Blackstone Family Media, III L.P. (as assignee of Blackstone Family Investment III L.P.), TCID of Michigan, Inc., and TCI Bresnan LLC(21)
10.25	Form of Exchange Agreement, dated as of November 12, 1999 by and among Charter Investment, Inc., Charter Communications, Inc., Vulcan Cable III Inc. and Paul G. Allen(6)
21.1	Subsidiaries of Charter Communications, Inc.
27.1	Financial Data Schedule

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+ Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

(1) Incorporated by reference to Amendment No. 2 to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on June 22, 1999 (File No. 333-77499).

(2) Incorporated by reference to Amendment No. 4 to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on July 22, 1999 (File No. 333-77499).

(3) Incorporated by reference to Amendment No. 4 to the registration statement on Form S-1 of Charter Communications, Inc. filed on 11/1/99 (File No. 333-83887).

(4) Incorporated by reference to Amendment No. 3 to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on July 2, 1999 (File No. 333-77499).

(5) Incorporated by reference to Amendment No. 6 to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on August 27, 1999 (File No. 333-77499).

(6) Incorporated by reference to Amendment No. 3 to the registration statement on Form S-1 of Charter Communications, Inc. filed on 10/18/99 (File No. 333-83887).

(7) Incorporated by reference to Amendment No. 5 to the registration Statement on Form S-1 of Charter Communications, Inc. filed on 11/4/99 (File No. 333-83887).

(8) Incorporated by reference to the report on Form 8-K of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on January 18, 2000 (File No. 333-77499).

(9) Incorporated by reference to Amendment No. 1 to the registration statement on Form S-4 of Avalon Cable of Michigan LLC, Avalon Cable of Michigan Inc., Avalon Cable of New England LLC and Avalon Cable Finance Inc. filed on May 28, 1999 (File No. 333-75453).

(10) Incorporated by reference to Amendment No. 2 to the registration statement on Form S-1 of Charter Communications, Inc. filed on September 28, 1999 (File No. 333-83887).

(11) Incorporated by reference to the quarterly report on Form 10-Q filed by Falcon Communications, L.P. and Falcon Funding Corporation on August 13, 1999 (File Nos. 333-60776 and 333-55755).

(12) Incorporated by reference to the report on Form 8-K of CC VII Holdings, LLC and Falcon Funding Corporation filed on November 26, 1999 (File No. 033-60776).

(13) Incorporated by reference to Amendment No. 5 to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on August 10, 1999 (File No. 333-77499).

(14) Incorporated by reference to the registration statement on Forms S-4 and S-1 of Renaissance Media Group LLC, Renaissance Media (Tennessee) LLC, Renaissance Media (Louisiana) LLC and Renaissance Media Capital Corporation filed on June 12, 1998 (File No. 333-56679).

(15) Incorporated by reference to the registration statement on Form S-1 of Rifkin Acquisition Capital Corp. and Rifkin Acquisition Partners, L.L.L.P. filed on April 2, 1996 (File No. 333-3084).

(16) Incorporated by reference to the registration statement on Form S-4 of Bresnan Communications Group LLC and Bresnan Capital Corporation filed on May 3, 1999 (File No. 333-77637).

(17) Incorporated by reference to the report on Form 8-K of Charter Communications, Inc. filed on November 29, 1999 (File No. 333-83887).

(18) Incorporated by reference to the report on Form 8-K of Charter Communications, Inc. filed on November 29, 1999 (File No. 333-83887).

(19) Incorporated by reference to Amendment No. 1 to the registration statement on Form S-4 of Avalon Cable LLC, Avalon Cable Holdings Finance, Inc., Avalon Cable of Michigan Holdings, Inc. and Avalon Cable of Michigan, Inc. filed on May 28, 1999 (File No. 333-75415).

(20) Incorporated by reference to the registration statement on Form S-4 of Falcon Holding Group, L.P. filed on April 18, 1993 (File No. 33-60776).

(21) Incorporated by reference to the report on Form 8-K of Charter Communications, Inc. filed on February 29, 2000 (File No. 333-83887).

(22) Incorporated by reference to the registration statement on Form S-4 of Charter Communications Holdings, LLC and Charter Communications Holdings Capital Corporation filed on January 25, 2000 (File No. 333-77499).

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO CHARTER COMMUNICATIONS, INC.:

We have audited the accompanying consolidated balance sheets of Charter Communications, Inc. and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Charter Communications VI Operating Company, LLC and subsidiaries, and CC VII -- Falcon Systems, as of December 31, 1999, and for the periods from the dates of acquisition through December 31, 1999, which statements on a combined basis reflect total assets and total revenues of 31 percent and 6 percent, respectively, of the related consolidated totals of the Company. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Charter Communications, Inc. and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
March 2, 2000

REPORT OF INDEPENDENT AUDITORS

Charter Communications VI
Operating Company, LLC

We have audited the consolidated balance sheet of Charter Communications VI Operating Company, LLC and subsidiaries as of December 31, 1999, and the related consolidated statements of operations, member's equity and cash flows for the period from inception (November 9, 1999) to December 31, 1999 (not presented separately herein). These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Charter Communications VI Operating Company, LLC and subsidiaries at December 31, 1999, and the consolidated results of its operations and its cash flows for the period from November 9, 1999 to December 31, 1999 in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Denver, Colorado
February 11, 2000

REPORT OF INDEPENDENT AUDITORS

Sole Member
CC VII Holdings, LLC

We have audited the combined balance sheet of the CC VII -- Falcon Systems as of December 31, 1999, and the related combined statements of operations and parent's investment and cash flows for the period from November 13, 1999 (commencement date) to December 31, 1999 (not presented separately herein). These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the CC VII -- Falcon Systems at December 31, 1999 and the results of its operations and its cash flows for the period from November 13, 1999 (commencement date) to December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP
Los Angeles, California
March 2, 2000

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	DECEMBER 31, 1999	DECEMBER 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 133,706	$ 9,573
Accounts receivable, net of allowance for doubtful accounts of $11,471 and $1,728, respectively	93,743	15,108
Prepaid expenses and other	35,142	2,519
Total current assets	262,591	27,200
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment	3,490,573	716,242
Franchises	14,985,793	3,590,054
	18,476,366	4,306,296
OTHER ASSETS	227,550	2,031
	$18,966,507	$4,335,527
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ --	$ 10,450
Accounts payable and accrued expenses	706,775	127,586
Payables to related party	13,183	4,334
Total current liabilities	719,958	142,370
LONG-TERM DEBT, less current maturities	8,936,455	1,991,756
DEFERRED MANAGEMENT FEES -- RELATED PARTY	21,623	15,561
OTHER LONG-TERM LIABILITIES	145,124	38,461
MINORITY INTEREST	5,381,331	2,146,549
REDEEMABLE SECURITIES	750,937	--
STOCKHOLDERS' EQUITY:		
Class A common stock	195	--
Class B common stock	--	--
Preferred stock	--	--
Additional paid-in capital	3,075,694	832
Retained deficit	(66,231)	(2)
Accumulated other comprehensive income	1,421	--
Total stockholders' equity	3,011,079	830
	$18,966,507	$4,335,527

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
REVENUES	$1,428,244	$13,713
OPERATING EXPENSES:		
Operating, general and administrative	737,957	7,134
Depreciation and amortization	745,315	8,318
Option compensation expense	79,979	845
Corporate expense charges -- related party	51,428	473
	1,614,679	16,770
Loss from operations	(186,435)	(3,057)
OTHER INCOME (EXPENSE):		
Interest expense	(477,799)	(2,353)
Interest income	34,467	133
Other, net	(8,039)	--
Loss before income taxes and minority interest	(637,806)	(5,277)
INCOME TAX EXPENSE	(1,030)	--
Loss before minority interest	(638,836)	(5,277)
MINORITY INTEREST IN LOSS OF SUBSIDIARY	572,607	5,275
Net loss	$ (66,229)	$ (2)
LOSS PER COMMON SHARE, basic and diluted	$ (2.22)	$ (0.04)
Weighted-average common shares outstanding	29,811,202	50,000

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)

	CLASS A COMMON STOCK	CLASS B COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' EQUITY
BALANCE, December 24, 1998.....	$ --	$--	$ 832	$ --	$ --	$ 832
Net loss.....................	--	--	--	(2)	--	(2)
BALANCE, December 31, 1998.....	--	--	832	(2)	--	830
Issuance of Class B common stock to Mr. Allen........	--	--	950	--	--	950
Net proceeds from initial public offering of Class A common stock.............	196	--	3,547,724	--	--	3,547,920
Issuance of common stock in exchange for additional equity of subsidiary......	26	--	638,535	--	--	638,561
Distributions to Charter Investment................	--	--	(2,233)	--	--	(2,233)
Equity classified as redeemable securities.....	(27)	--	(700,759)	--	--	(700,786)
Option compensation expense...................	--	--	4,493	--	--	4,493
Loss on issuance of equity by subsidiary................	--	--	(413,848)	--	--	(413,848)
Net loss.....................	--	--	--	(66,229)	--	(66,229)
Unrealized gain on marketable securities available for sale......................	--	--	--	--	1,421	1,421
BALANCE, December 31, 1999.....	$195	$--	$3,075,694	$(66,231)	$1,421	$3,011,079

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

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

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998 THROUGH DECEMBER 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (66,229)	$ (2)
Adjustments to reconcile net loss to net cash provided by operating activities--		
Minority interest in loss of subsidiary	(572,607)	(5,275)
Depreciation and amortization	745,315	8,318
Option compensation expense	79,979	845
Noncash interest expense	100,674	--
Changes in assets and liabilities, net of effects from acquisitions--		
Accounts receivable	(32,366)	(8,753)
Prepaid expenses and other	13,627	(211)
Accounts payable and accrued expenses	177,321	10,227
Payables to related party, including deferred management fees	27,653	473
Other operating activities	6,549	2,022
Net cash provided by operating activities	479,916	7,644
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(741,508)	(13,672)
Payments for acquisitions, net of cash acquired	(7,629,564)	--
Loan to Marcus Cable Holdings	(1,680,142)	--
Other investing activities	(26,755)	--
Net cash used in investing activities	(10,077,969)	(13,672)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt, including proceeds from Charter Holdings Notes	10,114,188	14,200
Repayments of long-term debt	(5,694,375)	--
Payments for debt issuance costs	(113,481)	--
Net proceeds from initial public offering of Class A common stock	3,547,920	--
Proceeds from issuance of Class B common stock	950	--
Capital contributions to Charter Holdco by Vulcan Cable	1,894,290	--
Distributions to Charter Investment	(10,931)	--
Other financing activities	(16,375)	--
Net cash provided by financing activities	9,722,186	14,200
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,133	8,172
CASH AND CASH EQUIVALENTS, beginning of period	9,573	1,401
CASH AND CASH EQUIVALENTS, end of period	$ 133,706	$ 9,573
CASH PAID FOR INTEREST	$ 314,606	$ 5,538
NONCASH TRANSACTIONS:		
Transfer of operating subsidiaries to the Company	$ 1,252,370	$ --
Transfer of equity interests to the Company	180,710	--
Issuance of equity as partial payments for acquisitions	683,312	--

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

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

1. ORGANIZATION AND BASIS OF PRESENTATION:

Charter Communications, Inc.

On July 22, 1999, Charter Investment, Inc. (Charter Investment), a company controlled by Paul G. Allen, formed a wholly owned subsidiary, Charter Communications, Inc. (Charter), a Delaware corporation, with a nominal initial investment.

On November 12, 1999, Charter sold 195.5 million shares of Class A common stock in an initial public offering and 50,000 shares of high vote Class B common stock to Mr. Allen. The net proceeds from the offerings of approximately $3.55 billion were used to purchase membership units of Charter Communications Holding Company, LLC (Charter Holdco), except for a portion of the proceeds that were retained by Charter to acquire a portion of the equity interests of Avalon Cable of Michigan Holdings, Inc. (Avalon). In exchange for the contribution of the net proceeds from the offerings and equity interests of Avalon, Charter received 195.55 million membership units of Charter Holdco on November 12, 1999, representing a 100% voting interest and an approximate 40.6% economic interest.

Prior to November 12, 1999, Charter Holdco was owned 100% by Charter Investment and Vulcan Cable III Inc. (Vulcan Cable), both entities controlled by Mr. Allen. Subsequent to November 12, 1999, Mr. Allen controls Charter through his ownership of all of the high vote Class B common stock and Charter controls Charter Holdco through its ownership of all the voting interests. Charter's purchase of 50,000 membership units of Charter Holdco was accounted for as a reorganization of entities under common control similar to a pooling of interests. Accordingly, beginning December 23, 1998, the date Mr. Allen first controlled Charter Holdco, the assets and liabilities of Charter Holdco are reflected in the consolidated financial statements of Charter at Mr. Allen's basis and minority interest is recorded representing that portion of the economic interests not owned by Charter. For financial reporting purposes, 50,000 of the membership units previously issued by Charter Holdco to companies controlled by Mr. Allen are considered held by Charter effective December 23, 1998, representing an economic interest of less than 1%.

Charter is a holding company whose sole asset is a controlling equity interest in Charter Holdco, an indirect owner of cable systems. Charter and Charter Holdco and its subsidiaries are collectively referred to as the Company.

The Company owns and operates cable systems serving approximately 6.1 million (unaudited) customers, including customers from the Bresnan acquisition (see Note 21) completed in February 2000. The Company offers a full range of traditional cable television services and has begun to offer digital cable television services, interactive video programming and high-speed Internet access.

Charter Communications Holding Company, LLC

Charter Holdco, a Delaware limited liability company, was formed in February 1999 as a wholly owned subsidiary of Charter Investment. Charter Investment through its wholly owned subsidiary, Charter Communications Properties Holdings, LLC (CCPH), commenced operations with the acquisition of a cable system on September 30, 1995.

Effective December 23, 1998, through a series of transactions, Mr. Allen acquired approximately 94% of Charter Investment for an aggregate purchase price of $2.2 billion, excluding $2.0 billion in debt assumed (the "Paul Allen Transaction"). In conjunction with the Paul Allen Transaction, Charter Investment acquired, for fair value from unrelated third parties, all of the interests it did not already own in CharterComm Holdings, LLC (CharterComm Holdings) and CCA Group (comprised of CCA Holdings Corp., CCT Holdings Corp. and Charter Communications Long Beach, Inc.), all cable television operating companies, for $2.0 billion, excluding $1.8 billion in debt assumed. Charter Investment previously managed and owned minority interests in these companies. These acquisitions were accounted for using the purchase method of accounting and accordingly, results of operations of CharterComm Holdings and CCA Group are included in the financial statements from the date of acquisition. In February 1999, Charter Investment transferred all of its cable television operating subsidiaries to a wholly owned subsidiary of Charter Communications Holdings, LLC (Charter Holdings), Charter Communications Operating, LLC (Charter Operating). Charter Holdings is a wholly owned subsidiary of Charter Holdco. This transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests.

As a result of the change in ownership of CCPH, CharterComm Holdings and CCA Group, Charter Holdco has applied push-down accounting in the preparation of its consolidated financial statements. Accordingly, on December 23, 1998, Charter Holdco increased its members' equity by $2.2 billion to reflect the amounts paid by Mr. Allen and Charter Investment. The purchase price was allocated to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to franchises of $3.6 billion.

On April 23, 1998, Mr. Allen and a company controlled by Mr. Allen, (collectively, the "Mr. Allen Companies") purchased substantially all of the outstanding partnership interests in Marcus Cable Company, L.L.C. (Marcus Cable) for $1.4 billion, excluding $1.8 billion in assumed liabilities. The owner of the remaining partnership interest retained voting control of Marcus Cable. In February 1999, Marcus Cable Holdings, LLC (Marcus Holdings) was formed, and Mr. Allen's interests in Marcus Cable were transferred to Marcus Holdings on March 15, 1999. On March 31, 1999, Mr. Allen purchased the remaining partnership interests in Marcus Cable, including voting control. On April 7, 1999, Marcus Holdings was merged into Charter Holdings and Marcus Cable was transferred to Charter Holdings. For financial reporting purposes, the merger was accounted for as an acquisition of Marcus Cable effective March 31, 1999, the date Mr. Allen obtained voting control of Marcus Cable. Accordingly, the results of operations of Marcus Cable have been included in the consolidated financial statements from April 1, 1999. The assets and liabilities of Marcus Cable have been recorded in the consolidated financial statements using historical carrying values reflected in the accounts of the Mr. Allen Companies. Total member's equity of Charter Holdco increased by $1.3 billion as a result of the Marcus Cable acquisition. Previously, on April 23, 1998, the Mr. Allen Companies recorded the assets acquired and liabilities assumed of Marcus Cable based on their relative fair values.

The consolidated financial statements of Charter Holdco include the accounts of Charter Operating and CCPH, the accounts of CharterComm Holdings and CCA Group and their subsidiaries since December 23, 1998 (date acquired by Charter Investment), and the accounts of Marcus Cable since March 31, 1999. All subsidiaries are indirect wholly owned by Charter Holdco. All material intercompany transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. These investments are carried at cost that approximates market value.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, including all direct and certain indirect costs associated with the construction of cable television transmission and distribution facilities, and the cost of new customer installations. The costs of disconnecting a customer are charged to expense in the period incurred. Expenditures for repairs and maintenance are charged to expense as incurred, while equipment replacement and betterments are capitalized.

Depreciation is provided on the straight-line basis over the estimated useful lives of the related assets as follows:

Cable distribution systems.................................	3-15 years
Buildings and leasehold improvements........................	5-15 years
Vehicles and equipment......................................	3-5 years

Franchises

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable systems represent management's estimate of fair value and are generally amortized using the straight-line method over a period of 15 years. The period of 15 years is management's best estimate of the useful lives of the franchises and assumes substantially all of those franchises that expire during the period will be renewed by the Company. Accumulated amortization related to franchises was $650.5 million and $5.3 million, as of December 31, 1999 and 1998, respectively. Amortization expense related to franchises for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, was $520.0 million and $5.3 million, respectively.

Deferred Financing Costs

Costs related to borrowings are deferred and amortized to interest expense using the effective interest method over the terms of the related borrowings. As of December 31, 1999, others assets include $120.7 million of deferred financing costs, net of accumulated amortization of $10.3 million.

Impairment of Assets

If facts and circumstances suggest that a long-lived asset may be impaired, the carrying value is reviewed. If a review indicates that the carrying value of such asset is not recoverable based on projected undiscounted net cash flows related to the asset over its remaining life, the carrying value of such asset is reduced to its estimated fair value.

Revenues

Cable television revenues from basic and premium services are recognized when the related services are provided.

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable system. As of December 31, 1999 and 1998, no installation revenue has been deferred, as direct selling costs have exceeded installation revenue.

Local governmental authorities impose franchise fees on the Company ranging up to a federally mandated maximum of 5.0% of gross revenues. Such fees are collected on a monthly basis, from the Company's customers and are periodically remitted to local franchise authorities. Franchise fees collected and paid are reported as revenues and expenses.

Channel Launch Payments

The Company receives upfront payments from certain programmers to launch and promote new cable television channels. A portion of these payments represents reimbursement of advertising costs paid by the Company to promote the new channels. These reimbursements have been immaterial. The remaining portion is being amortized as an offset to programming expense over the respective terms of the program agreements which range from one to 20 years. For the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, the Company amortized and recorded as a reduction of programming costs $3.4 million and $12, respectively. As of December 31, 1999, the unamortized portion of payments received totaled $13.4 million and is included in other long-term liabilities.

Direct Response Advertising

The Company expenses the production costs of advertising as incurred, except for direct response advertising, which is deferred and amortized over its expected period of future benefits. Direct response advertising consists primarily of direct mailings and radio, newspaper and cross-channel television advertisements that include a phone number for use in ordering the Company's products and services. The deferred advertising costs are amortized to advertising expense over the periods during which the future benefits are expected to be received. The periods range from two to four years depending on the type of service the customer subscribes to and represents the period the customer is expected to remain connected to the cable system. As of December 31, 1999, $700 of deferred advertising costs is included in other assets. Advertising expense was $30.0 million for the year ended December 31, 1999, including amortization of deferred advertising costs totaling $87.

Investments and Other Comprehensive Income

Investments in equity securities are accounted for in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company owns common stock of WorldGate Communications, Inc. (WorldGate) that is classified as "available for sale" and reported at market value with unrealized gains and losses recorded as accumulated other comprehensive income. Based on quoted market prices, the investment was valued at $5.4 million as of December 31, 1999, and is included in other assets. Comprehensive loss for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, was $64.8 million and $2, respectively.

Interest Rate Hedge Agreements

The Company manages fluctuations in interest rates by using interest rate hedge agreements, as required by certain debt agreements. Interest rate swaps, caps and collars are accounted for as hedges of debt obligations, and accordingly, the net settlement amounts are recorded as adjustments to interest expense in the period incurred. Premiums paid for interest rate caps are deferred, included in other assets, and are amortized over the original term of the interest rate agreement as an adjustment to interest expense.

The Company's interest rate swap agreements require the Company to pay a fixed rate and receive a floating rate thereby creating fixed rate debt. Interest rate caps and collars are entered into by the Company to reduce the impact of rising interest rates on floating rate debt.

The Company's participation in interest rate hedging transactions involves instruments that have a close correlation with its debt, thereby managing its risk. Interest rate hedge agreements have been designated for hedging purposes and are not held or issued for speculative purposes.

Income Taxes

Substantially all of the taxable income, gains, losses, deductions and credits of Charter Holdco are passed through to its partners, Charter Investment, Vulcan Cable and Charter. Prior to November 12, 1999, income taxes were the responsibility of the owners of Charter Investment and Vulcan Cable and are not provided for in the accompanying consolidated financial statements. Beginning November 12, 1999, Charter is responsible for its share of taxable income (loss) of Charter Holdco allocated to Charter in accordance with partnership tax rules and regulations. The tax basis of Charter's investment in Charter Holdco is not materially different than the carrying value of the investment for financial reporting purposes as of December 31, 1999.

Charter Holdco's limited liability company agreement provides that through the end of 2003, tax losses of Charter Holdco that would otherwise have been allocated to Charter will instead be allocated to the membership units held by Vulcan Cable and Charter Investment. At the time Charter first becomes profitable (as determined under the applicable federal income tax rules), the profits that would otherwise have been allocated to Charter will instead be allocated to the membership units held by Vulcan Cable and Charter Investment until the tax benefits are fully restored. Management does not expect Charter Holdco to generate tax profits in the foreseeable future.

Segments

In 1998, the Company adopted SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. Segments have been identified based upon management responsibility. The individual segments have been aggregated into one segment, cable services.

Loss per Common Share

For purposes of the loss per common share calculation for the period from December 24, 1998, through December 31, 1998, Mr. Allen's 50,000 shares of high vote Class B common stock are considered to be outstanding for the entire period. Basic loss per common share is computed by dividing the net loss by 50,000 shares for 1998 and 29,811,202 shares for 1999, representing the weighted average common shares outstanding during 1999. Diluted loss per common share equals basic loss per common share for the periods presented, as the effect of stock options is anti-dilutive because the Company generated net losses. All membership units of Charter Holdco are exchangeable on a one-for-one basis into common stock of Charter at the option of the holders. Should the holders exchange units for shares, the effect would not be dilutive.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United Sates requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ACQUISITIONS:

During 1999, the Company acquired cable systems in 11 separate transactions for an aggregate purchase price, of $7.6 billion, net of cash acquired, excluding debt assumed of $2.5 billion. In connection with two of the acquisitions, Charter Holdco issued equity interests totaling $683.3 million. The purchase prices were allocated to assets acquired and liabilities assumed based on their relative fair values, including amounts assigned to franchises of $9.7 billion. The allocation of the purchase prices for these acquisitions are 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 will not have a material impact on the consolidated results of operations or financial position of the Company.

The above acquisitions were accounted for using the purchase method of accounting, and accordingly, results of operations of the acquired assets have been included in the financial statements from the dates of acquisition.

Unaudited pro forma operating results of the Company as though the acquisitions discussed above, including the Paul Allen Transaction and the acquisition of Marcus Holdings, and the initial public offering of common stock and the March 1999 refinancing of debt discussed herein, had occurred on January 1, 1998, with adjustments to give effect to amortization of franchises, interest expense, minority interest and certain other adjustments are as follows:

	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998
	(UNAUDITED)	
Revenues	$ 2,624,394	$ 2,412,252
Loss from operations	(355,030)	(333,595)
Loss before minority interest	(1,181,635)	(1,165,806)
Net loss	(479,744)	(473,317)

The unaudited pro forma financial information has been presented for comparative purposes and does not purport to be indicative of the results of operations had these transactions been completed as of the assumed date or which may be obtained in the future.

4. ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Activity in the allowance for doubtful accounts is summarized as follows:

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
Balance, beginning of period	$ 1,728	$1,702
Acquisitions of cable systems	5,860	--
Charged to expense	20,872	26
Uncollected balances written off, net of recoveries	(16,989)	--
Balance, end of period	$ 11,471	$1,728

5. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31:

	1999	1998
Cable distribution systems	$3,523,217	$661,749
Land, buildings and leasehold improvements	108,214	26,670
Vehicles and equipment	176,221	30,590
	3,807,652	719,009
Less--Accumulated depreciation	(317,079)	(2,767)
	$3,490,573	$716,242

For the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, depreciation expense was $225.0 million and $2.8 million, respectively.

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31:

	1999	1998
Accounts payable	$112,233	$ 7,439
Liability for pending transfer of cable system	88,200	--
Accrued interest	85,870	30,809
Programming costs	72,245	11,856
Capital expenditures	66,713	15,560
Franchise fees	46,524	12,534
Accrued general and administrative	39,648	6,688
Accrued income taxes	4,188	15,205
Other accrued liabilities	191,154	27,495
	$706,775	$127,586

The liability for pending transfer of cable system represents the fair value of a cable system to be transferred upon obtaining necessary regulatory approvals in connection with the transaction with InterMedia Capital Partners IV L. P., InterMedia Partners and their affiliates. Such approvals were subsequently obtained and the system assets were transferred in March 2000.

7. LONG-TERM DEBT:

Long-term debt consists of the following at December 31:

	1999	1998
Charter Holdings:		
14.000% Senior Secured Discount Debentures	$ --	$ 109,152
11.250% Senior Notes	--	125,000
8.250% Senior Notes	600,000	--
8.625% Senior Notes	1,500,000	--
9.920% Senior Discount Notes	1,475,000	--
Renaissance:		
10.000% Senior Discount Notes	114,413	--
Rifkin:		
11.125% Senior Subordinated Notes	900	--
Avalon:		
9.375% Senior Subordinated Notes	150,000	--
11.875% Senior Discount Notes	196,000	--
7.000% Note payable, due 2003	500	--
CC VII Holdings, LLC (Falcon):		
8.375% Senior Debentures	375,000	--
9.285% Senior Discount Debentures	435,250	--
Credit Facilities:		
Credit Agreements (including CCPH, CCA Group and CharterComm Holdings)	--	1,726,500
Charter Operating	2,906,000	--
CC Michigan, LLC and CC New England, LLC (Avalon)	170,000	--
CC VI Operating Company, LLC (Fanch)	850,000	--
Falcon Cable Communications, LLC	865,500	--
	9,638,563	1,960,652
Current maturities	--	(10,450)
Unamortized net (discount) premium	(702,108)	41,554
	$8,936,455	$1,991,756

In March 1999, Charter Holdings and Marcus Holdings extinguished substantially all existing long-term debt, excluding borrowings under its credit agreements, and refinanced substantially all existing credit agreements at various subsidiaries with a new credit agreement entered into by Charter Operating (the "Charter Operating Credit Facilities").

Charter Holdings Notes

In March 1999, Charter Holdings and Charter Communications Holdings Capital Corporation, a wholly owned subsidiary of Charter Holdings, (collectively, the "Issuers") issued $600.0 million 8.250% Senior Notes due 2007 (the "8.250% Senior Notes") for net proceeds of $598.4 million, $1.5 billion 8.625% Senior Notes due 2009 (the "8.625% Senior Notes") for net proceeds of $1,495.4 million, and $1,475.0 million 9.920% Senior Discount Notes due 2011 (the "9.920% Senior Discount Notes") for net proceeds of $905.5 million, (collectively with the 8.250% Senior Notes and the 8.625% Senior Notes, referred to as the "Charter Holdings Notes").

The 8.250% Senior Notes are not redeemable prior to maturity. Interest is payable semi-annually in arrears on April 1 and October 1, beginning October 1, 1999 until maturity.

The 8.625% Senior Notes are redeemable at the option of the Issuers at amounts decreasing from 104.313% to 100% of par value beginning on April 1, 2004, plus accrued and unpaid interest, to the date of redemption. At any time prior to April 1, 2002, the Company may redeem up to 35% of the aggregate principal amount of the 8.625% Senior Notes at a redemption price of 108.625% of the principal amount under certain conditions. Interest is payable semi-annually in arrears on April 1 and October 1, beginning October 1, 1999, until maturity.

The 9.920% Senior Discount Notes are redeemable at the option of the Issuers at amounts decreasing from 104.960% to 100% of accreted value beginning April 1, 2004. At any time prior to April 1, 2002, the Issuers may redeem up to 35% of the aggregate principal amount of the 9.920% Senior Discount Notes at a redemption price of 109.920% of the accreted value under certain conditions. Thereafter, cash interest is payable semi-annually in arrears on April 1 and October 1 beginning April 1, 2004, until maturity. The discount on the 9.920% Senior Discount Notes is being accreted using the effective interest method. The unamortized discount was $497.2 million at December 31, 1999.

The Charter Holdings Notes rank equally with current and future unsecured and unsubordinated indebtedness (including accounts payables of the Company). The Issuers are required to make an offer to repurchase all of the Charter Holdings Notes, at a price equal to 101% of the aggregate principal or 101% of the accreted value, together with accrued and unpaid interest, upon a change of control of the Company.

Renaissance Notes

In connection with the acquisition of Renaissance Media Group LLC (Renaissance) during the second quarter of 1999, the Company assumed $163.2 million principal amount at maturity of senior discount notes due April 2008 (the "Renaissance Notes"). As a result of the change in control of Renaissance, the Company was required to make an offer to repurchase the Renaissance Notes at 101% of their accreted value. In May 1999, the Company made an offer to repurchase the Renaissance Notes pursuant to this requirement, and the holders of the Renaissance Notes tendered an amount representing 30% of the total outstanding principal amount at maturity for repurchase. These notes were repurchased using a portion of the proceeds from the Charter Holdings Notes.

As of December 31, 1999, $114.4 million aggregate principal amount at maturity of Renaissance Notes with an accreted value of $83.0 million remain outstanding. Interest on the Renaissance Notes shall be paid semi-annually at a rate of 10% per annum beginning on October 15, 2003.

The Renaissance Notes are redeemable at the option of the Company, in whole or in part, at any time on or after April 15, 2003, initially at 105% of their principal amount at maturity, plus accrued and unpaid interest, declining to 100% of the principal amount at maturity, plus accrued and unpaid interest, on or after April 15, 2006. In addition, at any time prior to April 15, 2001, the Company may redeem up to 35% of the original principal amount at maturity with the proceeds of one or more sales of membership units at 110% of their accreted value, plus accrued and unpaid interest on the redemption date, provided that after any such redemption, at least $106 million aggregate principal amount at maturity remains outstanding.

Rifkin Notes

The Company acquired Rifkin Acquisition Partners L.L.L.P. and InterLink Communications, Partners, LLLP (collectively, "Rifkin") in September 1999 and assumed Rifkin's 11.125% senior subordinated notes due 2006 (the "Rifkin Notes") together with a $3.0 million promissory note payable to Monroe Rifkin,. Interest on the Rifkin Notes is payable semi-annually on January 15 and July 15 of each year. In September 1999, the Company commenced an offer to repurchase any and all of the outstanding Rifkin Notes, for cash at a premium over the principal amounts. In conjunction with this tender offer, the Company sought and obtained the consent of a majority in principal amount of the note holders of the outstanding Rifkin Notes to proposed amendments to the indenture governing the Rifkin Notes, which eliminated substantially all of the restrictive covenants. In October 1999, the Company repurchased a portion of the Rifkin Notes with a total outstanding principal amount of $124.1 million for a total of $140.6 million, including a consent fee to the holders who delivered timely consents amending the indenture, and repurchased the promissory note issued to Monroe Rifkin for $3.4 million. These notes were paid using borrowings from the Charter Operating Credit Facilities. At December 31, 1999, $900 aggregate principal of Rifkin Notes remain outstanding.

Avalon Notes

The Company acquired CC V Holdings, LLC (Avalon) (formerly known as Avalon Cable LLC) in November 1999 and assumed Avalon's 11.875% Senior Discount Notes Due 2008 (the "Avalon 11.875% Notes") and 9.375% Subordinated Notes Due 2008 (the "Avalon 9.375% Notes"). As of December 31, 1999, $196.0 million aggregate principal amount of the Avalon 11.875% Notes with an accreted value of $124.8 million and $150.0 million principal amount of the Avalon 9.375% Notes were outstanding. After December 1, 2003, cash interest on the Avalon 11.875% Notes will be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2004.

On December 3, 1999, the Company commenced a change of control offer with respect to the Avalon 9.375% Notes and a change of control offer with respect to the Avalon 11.875% Notes at purchase prices of 101% of principal amount or accreted value, as applicable. In January 2000, the Company completed the repurchase of the Avalon 9.375% Notes with a total outstanding principal amount of $134.0 million for a total of $137.4 million. In addition to the change of control repurchase, the Company repurchased the remaining outstanding principal amount of $16.0 million in the open market for $16.3 million. Also in January 2000, the Company repurchased a portion of the Avalon 11.875% Notes with a total outstanding principal amount of $16.3 million for a total of $10.5 million. The repurchase of the Avalon 9.375% Notes and the Avalon 11.875% Notes was funded by a portion of the cash proceeds from the issuance of additional notes by Charter Holdings in January 2000 (the "January 2000 Charter Holdings Notes"). Avalon 11.875% Notes with a total principal amount at maturity of $179.8 million and an accreted value of $116.4 million remain outstanding after the repurchases.

Falcon Debentures

The Company acquired CC VII Holdings, LLC (Falcon) (formerly known as Falcon Communications, L.P.) in November 1999 and assumed Falcon's 8.375% Senior Debentures Due 2010 (the "Falcon 8.375% Debentures") and 9.285% Senior Discount Debentures Due 2010 (the "Falcon 9.285% Debentures", collectively, with the Falcon 8.375% Debentures, the "Falcon Debentures"). As of December 31, 1999, $375.0 million aggregate principal amount of the Falcon 8.375% Debentures and $435.3 million aggregate principal amount of the Falcon 9.285% Debentures, with an accreted value of $323.0 million were outstanding.

On December 10, 1999, the Company commenced change of control offers and offered to repurchase the Falcon Debentures at purchase prices of 101% of principal amount, plus unpaid and accrued interest, or accreted value, as applicable. In February 2000, the Company completed the repurchase of the Falcon 8.375% Debentures with a total outstanding principal amount of $317.4 million for a total of $328.6 million. In addition to the change of control repurchase, the Company repurchased the Falcon 8.375% Debentures with a total outstanding principal amount of $57.6 million in the open market for $59.4 million. Also, in February 2000, the Company repurchased the Falcon 9.285% Debentures with an aggregate principal amount of $230.0 million for a total of $173.8 million. In addition to the change of control repurchase, the Company repurchased the Falcon 9.285% Debentures with an aggregate principal amount of $205.3 million in the open market for $154.3 million. The repurchase of all the Falcon Debentures was funded by a portion of the proceeds from the January 2000 Charter Holdings Notes.

Helicon Notes

The Company acquired Helicon I, L.P. and affiliates (Helicon) in July 1999 and assumed Helicon's 11% Senior Secured Notes due 2003 (the "Helicon Notes"). On November 1, 1999, the Company redeemed all of the Helicon Notes at a purchase price equal to 103% of their principal amount, plus accrued interest, for $124.8 million using borrowings from the Charter Operating Credit Facilities.

Charter Operating Credit Facilities

The Charter Operating Credit Facilities provide for two term facilities, one with a principal amount of $1.0 billion that matures September 2007 (Term A), and the other with the principal amount of $1.85 billion that matures March 2008 (Term B). The Charter Operating Credit Facilities also provide for a $1.25 billion revolving credit facility with a maturity date of September 2007 and at the options of the lenders, supplemental credit facilities, in the amount of $500.0 million available until March 18, 2002. Amounts under the Charter Operating Credit Facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.75% (8.22% to 8.97% as of December 31, 1999). A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance of Term A and the revolving credit facility. As of December 31, 1999, the unused availability was $1.2 billion. In March 2000, the credit agreement was amended to increase the amount of the supplemental credit facility to $1.0 billion. In connection with this amendment, $600.0 million of the supplemental credit facility (the "Incremental Term Loan") was drawn down. The Incremental Term Loan maturity date is September 18, 2008.

Avalon Credit Facilities

In connection with the Avalon acquisition, the Company entered into a new credit agreement (the "Avalon Credit Facilities"). The Avalon Credit Facilities have maximum borrowings of $300.0 million, consisting of a revolving facility in the amount of $175.0 million that matures May 15, 2008, and a Term B loan in the amount of $125.0 million that matures on November 15, 2008. The Avalon Credit Facilities also provide for, at the options of the lenders, supplemental credit facilities in the amounts of $75 million available until December 31, 2003. All amounts mature in June 2008. Amounts under the Avalon Credit Facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin up to 2.75% (7.995% to 8.870% as of December 31, 1999). A quarterly commitment fee of between 0.250% and 0.375% per annum is payable on the unborrowed balance. The Company borrowed $170.0 million under the Avalon Credit Facilities to fund a portion of the Avalon purchase price. As of December 31, 1999, unused availability was $ 130.0 million.

Fanch Credit Facilities

In connection with the acquisition of cable systems of Fanch Cablevision L.P. and affiliates (Fanch), the Company entered into a new credit agreement (the "Fanch Credit Facilities"). The Fanch Credit Facilities provide for two term facilities, one with a principal amount of $450.0 million that matures May 2008 (Term A), and the other with the principal amount of $400.0 million that matures November 2008 (Term B). The Fanch Credit Facilities also provide for a $350.0 million revolving credit facility with a maturity date of May 2008 and at the options of the lenders, supplemental credit facilities, in the amount of $300.0 million available until December 31, 2004. Amounts under the Fanch Credit Facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.75% (8.12% to 8.87% as of December 31, 1999). A quarterly commitment fee of between 0.250% and 0.375% per annum is payable on the unborrowed balance. The Company used $850.0 million of the credit facilities to fund a portion of the Fanch purchase price. As of December 31, 1999, unused availability was $ 350.0 million.

Falcon Credit Facilities

In connection with the Falcon acquisition, the existing Falcon credit agreement (the "Falcon Credit Facilities") was amended to provide for two term facilities, one with a principal amount of $200.0 million that matures June 2007 (Term B), and the other with the principal amount of $300.0 million that matures December 2007 (Term C). The Falcon Credit Facilities also provide for a $646.0 million revolving credit facility with a maturity date of December 2006 and at the options of the lenders, supplemental credit facilities in the amounts of $700.0 million with a maturity date of December 2007. At December 31, 1999, $110.0 million was outstanding under the supplemental credit facilities. Amounts under the Falcon Credit Facilities bear interest at the Base Rate or the Eurodollar rate, as defined, plus a margin of up to 2.5% (7.57% to 8.73% as of December 31, 1999). A quarterly commitment fee of between 0.25% and 0.375% per annum is payable on the unborrowed balance. As of December 31, 1999, unused availability was $ 390.5 million. However, debt covenants limit the amount that can be borrowed to $342.0 million at December 31, 1999.

The indentures governing the debt agreements require issuers of the debt and/or its subsidiaries to comply with various financial and other covenants, including the maintenance of certain operating and financial ratios. These debt instruments also contain substantial limitations on, or prohibitions of distributions, additional indebtedness, liens, asset sales and certain other items. As a result of limitations and prohibitions of distributions, substantially all of the net assets of the consolidated subsidiaries are restricted for distribution to Charter Holdings, Charter Holdco and Charter.

Based upon outstanding indebtedness at December 31, 1999, the amortization of term loans, scheduled reductions in available borrowings of the revolving credit facilities, and the maturity dates for all senior and subordinated notes and debentures, aggregate future principal payments on the total borrowings under all debt agreements at December 31, 1999, are as follows:

YEAR	AMOUNT
2000	$ --
2001	5,000
2002	93,875
2003	284,229
2004	261,423
Thereafter	8,994,036
	$9,638,563

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

A summary of debt and the related interest rate hedge agreements at December 31, 1999, is as follows:

	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
DEBT			
Charter Holdings:			
8.250% Senior Notes	$ 598,557	$ --	$ 558,000
8.625% Senior Notes	1,495,787	--	1,395,000
9.920% Senior Discount Notes	977,807	--	881,313
Renaissance:			
10.000% Senior Discount Notes	86,507	--	79,517
Rifkin:			
11.125% Senior Subordinated Notes	954	--	990
Avalon:			
9.375% Senior Subordinated Notes	151,500	--	151,500
11.875% Senior Discount Notes	129,212	--	129,212
7.000% Note payable, due 2003	500	--	500
CC VII Holdings, LLC (Falcon):			
8.375% Senior Debentures	378,750	--	378,750
9.285% Senior Discount Debentures	325,381	--	325,381
Credit Facilities:			
Charter Operating	2,906,000	--	2,906,000
CC Michigan LLC and CC New England LLC (Avalon)	170,000	--	170,000
CC VI Operating, LLC (Fanch)	850,000	--	850,000
Falcon Cable Communications, LLC	865,500	--	865,500
INTEREST RATE HEDGE AGREEMENTS			
Swaps	$ (6,827)	$4,542,713	$ (47,220)
Caps	--	15,000	16
Collars	1,361	240,000	(199)

A summary of debt and the related interest rate hedge agreements at December 31, 1998, is as follows:

	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
DEBT			
Credit Agreements (including CCPH, CCA Group and CharterComm Holdings)	$1,726,500	$ --	$1,726,500
14.000% Senior Secured Discount Debentures	138,102	--	138,102
11.250% Senior Notes	137,604	--	137,604
INTEREST RATE HEDGE AGREEMENTS			
Swaps	$ 23,216	$1,105,000	$ 23,216
Caps	--	15,000	--
Collars	4,174	310,000	4,174

As the long-term debt under the credit agreements bears interest at current market rates, their carrying amount approximates market value at December 31, 1999 and 1998. The fair values of the notes and the debentures are based on quoted market prices.

The weighted average interest pay rate for the Company's interest rate swap agreements was 8.06% and 7.66% at December 31, 1999 and 1998, respectively. The weighted average interest rate for the Company's interest rate cap agreements was 9.0% and 8.55% at December 31, 1999 and 1998, respectively. The weighted average interest rate for the Company's interest rate collar agreements were 9.13% and 7.74% for the cap and floor components, respectively, at December 31, 1999, and 8.61% and 7.31%, respectively, at December 31, 1998.

The notional amounts of interest rate hedge agreements do not represent amounts exchanged by the parties and, thus, are not a measure of the Company's exposure through its use of interest rate hedge agreements. The amounts exchanged are determined by reference to the notional amount and the other terms of the contracts.

The fair value of interest rate hedge agreements generally reflects the estimated amounts that the Company would (receive) or pay (excluding accrued interest) to terminate the contracts on the reporting date, thereby taking into account the current unrealized gains or losses of open contracts. Dealer quotations are available for the Company's interest rate hedge agreements.

Management believes that the sellers of the interest rate hedge agreements will be able to meet their obligations under the agreements. In addition, some of the interest rate hedge agreements are with certain of the participating banks under the Company's credit facilities, thereby reducing the exposure to credit loss. The Company has policies regarding the financial stability and credit standing of major counterparties. Nonperformance by the counterparties is not anticipated nor would it have a material adverse effect on the Company's consolidated financial position or results of operations.

9. STOCKHOLDERS' EQUITY:

At December 31, 1999, 1.5 billion shares of $.001 par value Class A common stock, 750 million shares of $.001 par value Class B common stock, and 250 million shares of $.001 par value preferred stock are authorized. At December 31, 1999, 221.7 million, 50,000 and no shares of Class A common stock, Class B common stock and preferred stock, respectively, were issued and outstanding. The 221.7 million shares of Class A common stock includes 26.8 million shares classified as redeemable securities (see Note 16). At December 31, 1998, there were 750 million share authorized and 50,000 shares of Class B common stock issued and outstanding.

10. INCOME TAXES:

Certain indirect subsidiaries of Charter Holdings are Corporations and file separate federal and state income tax returns. Results of operations from these subsidiaries are not material to the consolidated results of operations of the Company. Income tax expense for the year ended December 31, 1999, represents taxes assessed by certain state jurisdictions. Deferred income tax assets and liabilities are not material.

Charter files separate federal and state income tax returns and is responsible for its share of taxable income (loss) of Charter Holdco as determined by partnership tax rules and regulations and Charter Holdco's limited liability company agreement (see Note 2). Management does not expect Charter to pay any income taxes in the foreseeable future. Any net deferred income tax assets will be offset entirely by a valuation allowance because of current and expected future losses.

11. REVENUES:

Revenues consist of the following:

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
Basic	$1,002,954	$ 9,347
Premium	124,788	1,415
Pay-per-view	27,537	260
Digital video	8,299	10
Advertising sales	71,997	493
Cable modem	10,107	55
Other	182,562	2,133
	$1,428,244	$13,713

12. OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES:

Operating, general and administrative expenses consist of the following:

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
Programming	$330,754	$3,137
General and administrative	237,480	2,377
Service	99,486	847
Advertising	31,281	344
Marketing	23,447	225
Other	15,509	204
	$737,957	$7,134

13. RELATED PARTY TRANSACTIONS:

Charter Investment provides management services to the Company including centralized customer billing services, data processing and related support, benefits administration and coordination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Certain costs for services are billed and charged directly to the Company's operating subsidiaries and are included in operating costs. These billings are allocated based on the number of basic customers. Such costs totaled $16.5 million and $128 for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, respectively. All other costs incurred by Charter Investment on behalf of the Company are recorded as expenses in the accompanying consolidated financial statements and are included in corporate expense charges-related party. Management believes that costs incurred by Charter Investment on the

Company's behalf and included in the accompanying financial statements are not materially different than costs the Company would have incurred as a stand-alone entity.

Charter Investment utilizes a combination of excess insurance coverage and self-insurance programs for its medical, dental and workers' compensation claims. Charges are made to the Company as determined by independent actuaries at the present value of the actuarially computed present and future liabilities for such benefits. Medical coverage provides for $1.0 million aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $1.0 million aggregate stop loss protection and a loss limitation of $250 per person per year.

The Company is charged a management fee as stipulated in the management agreement between Charter Investment and Charter. To the extent management fees charged to the Company are greater (less) than the corporate expenses incurred by Charter Investment, the Company records distributions to (capital contributions from) Charter Investment. For the year ended December 31, 1999, the Company recorded distributions of $10.9 million, a portion of which have been allocated to minority interest. For the period from December 24, 1998, through December 31, 1998, the management fee charged to the Company approximated the corporate expenses incurred by Charter Investment on behalf of the Company. As of December 31, 1999 and 1998, management fees currently payable of $9.2 million and $473, respectively, are included in payables to related party. For the period from December 24, 1998, through December 31, 1998, the management fee charged to the Company approximated the corporate expenses incurred by Charter Investment and Charter on behalf of the Company. The credit facilities and indebtedness prohibit payments of management fees in excess of 3.5% of revenues until repayment of such indebtedness. Any amount in excess of 3.5% of revenues owed to Charter Investment based on the management agreement is recorded as deferred management fees-related party.

Charter, Mr. Allen and certain affiliates of Mr. Allen own equity interests or warrants to purchase equity interests in various entities that provide services or programming to the Company, including High Speed Access Corp. (High Speed Access), WorldGate, Wink Communications, Inc. (Wink), ZDTV, LLC (ZDTV), USA Networks, Inc. (USA Networks) and Oxygen Media Inc. (Oxygen Media). In addition, certain officers or directors of the Company also serve as directors of High Speed Access and USA Networks. The Company and its affiliates do not hold controlling interests in any of these companies.

Certain of the Company's cable customers receive cable modem-based Internet access through High Speed Access and TV-based Internet access through WorldGate. For the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, revenues attributable to these services were less than 1% of total revenues.

The Company receives programming and certain interactive features embedded into programming for broadcast via its cable systems from Wink, ZDTV, USA Networks and Oxygen Media. The Company pays a fee for the programming service generally based on the number of customers receiving the service. Such fees for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, were approximately 1% of total operating costs. In addition, the Company receives commissions from USA Networks for home shopping sales generated by its customers. Such revenues for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, were less than 1% of total revenues.

14. MINORITY INTEREST AND EQUITY INTERESTS OF CHARTER HOLDCO:

Minority interest represents total members' equity of Charter Holdco multiplied by 59.4% as of December 31, 1999, and 99.96% as of December 31, 1998, the ownership percentages of Charter Holdco not owned by Charter. Members' equity of Charter Holdco was $9.1 billion as of December 31, 1999, and $2.2 billion as of December 31, 1998. Gains (losses) arising from issuances by Charter Holdco of its membership units are recorded as capital transactions thereby increasing (decreasing) stockholders' equity and (decreasing) increasing minority interest on the consolidated balance sheets.

Changes to minority interest consist of the following:

	MINORITY INTEREST
Initial transfer of Charter Investment's operating subsidiaries to Charter Holdco	$2,150,979
Option compensation expense	845
Minority interest in loss of subsidiary	(5,275)
Balance, December 31, 1998	2,146,549
Distributions to Charter Investment	(8,698)
Transfer of Marcus Holdings' operating subsidiaries to Charter Holdco	1,252,370
Transfer of Rifkin equity interests to Charter Holdco	180,710
Charter Holdco equity issued to Falcon and Rifkin sellers	683,312
Charter Holdco equity issued to Vulcan Cable for cash	1,894,290
Contribution of marketable securities by Charter Investment	951
Accretion of preferred equity of Charter Holdco	1,755
Exchange of Charter Holdco units for Charter common stock	(638,561)
Equity classified as redeemable securities	(50,151)
Minority interest in loss of subsidiary	(572,607)
Option compensation expense	75,486
Gain on issuance of equity by Charter Holdco	413,848
Unrealized gain on marketable securities available for sale	2,077
Balance, December 31, 1999	$5,381,331

The preferred equity interests in Charter Holdco held by the Rifkin sellers were exchangeable into Class A common stock of Charter at the option of the Rifkin sellers only at the time of the initial public offering. In November 1999, preferred equity interests of $130.3 million were exchanged into common stock of Charter. The membership units of Charter Holdco held by the Falcon sellers were exchangeable into Class A common stock of Charter. The units are also puttable to Mr. Allen for cash. In November 1999, membership units of $43.4 million were put to Mr. Allen and $506.6 million were exchanged into the Class A common stock of Charter. For a two-year period, equity held by the Rifkin and Falcon sellers may be put to Mr. Allen for cash.

Pursuant to a membership interests purchase agreement, as amended, Vulcan Cable contributed $500.0 million in cash on August 10, 1999, to Charter Holdco, contributed an additional $180.7 million in certain equity interests acquired in connection with the acquisition of Rifkin in September 1999, to Charter Holdco, and contributed $644.3 million in September 1999 to Charter Holdco. All funds and equity interests were contributed to Charter Holdings. Concurrently with closing of the initial public offering, Vulcan Cable contributed $750 million in cash to Charter Holdco.

15. OPTION PLAN:

In accordance with an employment agreement between Charter Investment and the President and Chief Executive Officer of Charter and a related option agreement with the President and Chief Executive Officer, an option to purchase 7,044,127 Charter Holdco membership interests, was issued to the President and Chief Executive Officer. The option vests over a four-year period from the date of grant and expires ten years from the date of grant.

In February 1999, Charter Holdings adopted an option plan providing for the grant of options. The plan was assumed by Charter Holdco. The option plan provides for grants of options to employees, officers and directors of Charter Holdco and its affiliates and consultants who provide services to Charter Holdco. Options granted vest over five years from the grant date, commencing 15 months after the date of grant. Options not exercised accumulate and are exercisable, in whole or in part, in any subsequent period, but not later than ten years from the date of grant.

Membership units received upon exercise of the options are automatically exchanged for shares of Class A common stock of Charter on a one-for-one basis.

A summary of the activity for the Company's option plan for the year ended December 31, 1999, and for the period from December 23, 1998, through December 31, 1998, is as follows:

	1999		1998	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, beginning of period	7,044,127	$20.00	--	$--
Granted				
December 23, 1998			7,044,127	20.00
February 9, 1999	9,111,681	20.00		
April 5, 1999	473,000	20.73		
November 8, 1999	4,741,400	19.00		
Cancelled	(612,600)	19.95		
Options outstanding, end of period	20,757,608	$19.79	7,044,127	$20.00
Weighted Average Remaining Contractual Life	9.2 years		10.0 years	
Options Exercisable, end of period	2,091,032	$19.90	1,761,032	$20.00
Weighted average fair value of options granted	$12.59		$12.50	

In February 2000, the Company granted 5.7 million options at $19.47 per share.

The Company uses the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, to account for the option plans. Option compensation expense of $80.0 million and $845 for the year ended December 31, 1999, and for the period from December 24, 1998, to December 31, 1998, respectively, has been recorded in the consolidated financial statements since the exercise prices were less than the estimated fair values of the underlying membership interests on the date of grant. Estimated fair values were determined by the Company using the valuation inherent in the Paul Allen Transaction and valuations of public companies in the cable television industry adjusted for factors specific to the Company. Compensation expense is being recorded over the vesting period of each grant that varies from four to five years. As of December 31, 1999, deferred compensation remaining to be recognized in future periods totaled $79.4 million. No stock option compensation expense was recorded for the options granted on November 8, 1999, since the exercise price is equal to the estimated fair value of the underlying membership interests on the date of grant. Since the membership units are exchangeable into Class A common stock of Charter on a one-for-one basis, the estimated fair value was equal to the initial offering price of Class A common stock.

Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS 123), requires pro forma disclosure of the impact on earnings as if the compensation costs for these plans had been determined consistent with the fair value methodology of this statement. The Company's net loss would have been increased to the following unaudited pro forma amounts under SFAS 123:

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
Net loss:		
As reported	$(66,229)	$ (2)
Pro forma (unaudited)	(68,923)	(2)
Basic and diluted loss per common share:		
As reported	(2.22)	(0.04)
Pro forma (unaudited)	(2.31)	(0.04)

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model. The following weighted average assumptions were used for grants during the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, respectively: risk-free interest rates of 5.5% and 4.8%; expected volatility of 43.8% and 43.7%; and expected lives of 10 years. The valuations assume no dividends are paid.

16. COMMITMENTS AND CONTINGENCIES:

Leases

The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, were $11.2 million and $70, respectively. As of December 31, 1999, future minimum lease payments are as follows:

2000	$9,036
2001	7,141
2002	4,645
2003	3,153
2004	2,588
Thereafter	8,845

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, was $14.3 million and $137, respectively.

Litigation

The Company is a party to lawsuits and claims that arose in the ordinary course of conducting its business. In the opinion of management, after consulting with legal counsel, the outcome of these lawsuits and claims will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Redeemable Securities

As previously disclosed in Charter's Registration Statement on Form S-1, as amended, the Rifkin and Falcon sellers who own membership units of Charter Holdco, including those sellers that exchanged their units for common stock of Charter, and certain Helicon sellers who purchased Class A common stock in November 1999, may have rescission rights arising out of possible violations of Section 5 of the Securities Act of 1933, as amended, in connection with the offers and sales of these equity interests. Accordingly, the maximum potential cash obligation related to the rescission rights, estimated at $750.9 million, has been excluded from stockholders' equity or minority interest and classified as "redeemable securities" on the consolidated balance sheet at December 31, 1999. One year after the dates of issuance of these equity interests (when these rescission rights will have expired), the Company will reclassify the respective amounts to stockholders' equity or minority interest, as applicable.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable television systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Company cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. During 1999, the amounts refunded by the Company have been insignificant. The Company may be required to refund additional amounts in the future.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Company is unable to justify its basic rates. As of December 31, 1999, approximately 18% of the Company's local franchising authorities are certified to regulate basic tier rates. The Company is unable to estimate at this time the amount of refunds, if any, that may be payable by the Company in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Company does not believe that the amount of any such refunds would have a material adverse effect on the consolidated financial position or results of operations of the Company.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulated rates on the cable programming service tier (CPST). The FCC has taken the position that it will still adjudicate pending CPST complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date, March 31, 1999. The Company does not believe any adjudications regarding their pre-sunset complaints will have a material adverse effect on the Company's consolidated financial position or results of operations.

A number of states subject cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation.

17. EMPLOYEE BENEFIT PLANS:

The Company's employees may participate in 401(k) plans (the "401(k) Plans"). Employees that qualify for participation can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company matches 50% of the first 5% of participant contributions. The Company made contributions to the 401(k) Plans totaling $2.9 million and

$20 for the year ended December 31, 1999, and for the period from December 24, 1998, through December 31, 1998, respectively.

18. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

The Company is required to adopt Statement of Financial Accounting Standards Board No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133) on January 1, 2001. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The Company has not yet quantified the impact of adopting SFAS No. 133 on the consolidated financial statements nor has the Company determined the timing of the adoption of SFAS No. 133. However, SFAS No. 133 could increase the volatility in earnings (losses).

19. PARENT COMPANY ONLY FINANCIAL STATEMENTS:

As the result of limitations on and prohibition of distributions, substantially all of the net assets of the consolidated subsidiaries are restricted for distribution to Charter, the parent company. The following parent-only financial statements of Charter account for the investment in Charter Holdco under the equity method of accounting. The financial statements should be read in conjunction with the consolidated financial statements of the Company and notes thereto.

CHARTER COMMUNICATIONS, INC. (PARENT COMPANY ONLY)
CONDENSED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	DECEMBER 31, 1999	DECEMBER 31, 1998
ASSETS		
Cash and cash equivalents	$ 19,369	$ --
Other current assets	694	--
Investment in Charter Holdco	3,762,016	830
	$3,782,079	$830
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ 9,175	$ --
Payables to related parties	10,888	--
Redeemable securities	750,937	--
Stockholders' equity	3,011,079	830
Total liabilities and stockholders' equity	$3,782,079	$830

CHARTER COMMUNICATIONS, INC. (PARENT COMPANY ONLY)
CONDENSED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
REVENUES		
Interest income	$ 570	$--
Management fees	716	--
Total revenues	1,286	--
EXPENSES		
Equity in losses of Charter Holdco	(66,229)	(2)
General and administrative expenses	(716)	--
Interest expense	(570)	--
Total expenses	(67,515)	(2)
Net loss	$ (66,229)	$(2)

CHARTER COMMUNICATIONS, INC. (PARENT COMPANY ONLY)
CONDENSED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 1999	PERIOD FROM DECEMBER 24, 1998, THROUGH DECEMBER 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (66,229)	$(2)
Equity in losses of Charter Holdco	66,229	2
Change in assets and liabilities	19,369	--
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in Charter Holdco	(3,290,436)	--
Payment for acquisition	(258,434)	--
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Class B common stock to Mr. Allen	950	--
Net proceeds from initial public offering of common stock	3,547,920	--
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,369	--
CASH AND CASH EQUIVALENTS, beginning of period	--	--
CASH AND CASH EQUIVALENTS, end of period	$ 19,369	$--

20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Year ended December 31, 1999:

	FIRST	SECOND	THIRD	FOURTH
Revenues	$160,955	$308,038	$376,189	$ 583,062
Loss from operations	(17,535)	(54,032)	(38,296)	(76,572)
Loss before minority interest	(76,713)	(155,186)	(164,153)	(242,784)
Net loss	(27)	(35)	(35)	(66,132)
Basic and diluted loss per common share	(0.54)	(0.70)	(0.70)	(0.56)
Weighted average shares outstanding	50,000	50,000	50,000	118,124,333

21. SUBSEQUENT EVENTS:

On January 6, 2000, Charter Holdings issued the January 2000 Charter Holdings Notes with a principal amount of $1.5 billion. The January 2000 Charter Holdings Notes are comprised of $675.0 million 10.00% Senior Notes due 2009, $325.0 million 10.25% Senior Notes due 2010, and $532.0 million 11.75% Senior Discount Notes due 2010. The net proceeds were approximately $1.3 billion, after giving effect to discounts, commissions and expenses. The proceeds from the January 2000 Charter Holdings Notes were used to finance the repurchases of debt assumed in certain transactions.

On February 14, 2000, Charter Holdco and Charter Holdings completed the acquisition of Bresnan Communications Company Limited Partnership (Bresnan). Prior to the acquisition, Charter Holdco assigned a portion of its rights to purchase Bresnan to Charter Holdings. Charter Holdco and Charter Holdings purchased 52% of Bresnan from certain sellers for cash and certain sellers contributed 18% of Bresnan to Charter Holdco for 14.8 million Class C common membership units of Charter Holdco, an approximate 2.6% equity interest in Charter Holdco. Charter Holdco then transferred its ownership interest to Charter Holdings. Thereafter, Charter Holdings and certain sellers contributed all of the outstanding interests in Bresnan to CC VIII, LLC (CC VIII), a subsidiary of Charter Holdings and Bresnan was dissolved. In exchange for the contribution of their interests in Bresnan, the sellers received approximately 24.2 million Class A preferred membership units in CC VIII representing 30% of the equity of CC VIII and are entitled to a 2% annual return on their preferred membership units. The purchase price for Bresnan was approximately $3.1 billion subject to adjustment and was comprised of $1.1 billion in cash, $384.6 million and $629.5 million in equity in Charter Holdco and CC VIII, respectively, and approximately $1.0 billion in assumed debt. All the membership units received by the sellers are exchangeable on a one-for-one basis for Class A common stock of Charter. The Bresnan cable systems acquired are located in Michigan, Minnesota, Wisconsin and Nebraska, and serve approximately 686,000 (unaudited) customers.

In March 2000, Charter repurchased all of the outstanding Bresnan 9.25% Senior Discount Notes Due 2009 with an accreted value of $192.1 million and the Bresnan 8.00% Senior Notes Due 2009 with a principal amount of $170.0 million for a total of $369.7 million. The notes were repurchased using a portion of the proceeds of the January 2000 Charter Holdings Notes.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Charter Communications Properties Holdings, LLC:

We have audited the accompanying consolidated statements of operations, changes in shareholder's investment and cash flows of Charter Communications Properties Holdings, LLC and subsidiaries for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of the operations and the cash flows of Charter Communications Properties Holdings, LLC and subsidiaries for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 5, 1999

CHARTER COMMUNICATIONS PROPERTIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31, 1997
REVENUES	$ 49,731	$18,867
OPERATING EXPENSES:		
Operating, general and administrative	25,952	11,767
Depreciation and amortization	16,864	6,103
Corporate expense allocation -- related party	6,176	566
	48,992	18,436
Income from operations	739	431
OTHER INCOME (EXPENSE):		
Interest expense	(17,277)	(5,120)
Interest income	44	41
Other, net	(728)	25
	(17,961)	(5,054)
Net loss	$(17,222)	$(4,623)

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

CHARTER COMMUNICATIONS PROPERTIES HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S INVESTMENT
(DOLLARS IN THOUSANDS)

	COMMON STOCK	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
BALANCE, December 31, 1996	$--	$ 5,900	$ (3,252)	$ 2,648
Net loss	--	--	(4,623)	(4,623)
BALANCE, December 31, 1997	--	5,900	(7,875)	(1,975)
Capital contributions	--	10,800	--	10,800
Net loss	--	--	(17,222)	(17,222)
BALANCE, December 23, 1998	$--	$16,700	$(25,097)	$ (8,397)

The accompanying notes are an integral part of this consolidated statement.

CHARTER COMMUNICATIONS PROPERTIES HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (17,222)	$ (4,623)
Adjustments to reconcile net loss to net cash provided by operating activities --		
Depreciation and amortization	16,864	6,103
Noncash interest expense	267	123
Loss on sale of cable system	--	1,363
(Gain) loss on disposal of property, plant and equipment	(14)	130
Changes in assets and liabilities, net of effects from acquisition --		
Receivables	10	(227)
Prepaid expenses and other	(125)	18
Accounts payable and accrued expenses	16,927	894
Payables to manager of cable systems -- related party	5,288	(153)
Other operating activities	569	--
Net cash provided by operating activities	22,564	3,628
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(15,364)	(7,880)
Payment for acquisition, net of cash acquired	(167,484)	--
Proceeds from sale of cable system	--	12,528
Other investing activities	(486)	--
Net cash (used in) provided by investing activities	(183,334)	4,648
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	217,500	5,100
Repayments of long-term debt	(60,200)	(13,375)
Capital contributions	7,000	--
Payments for debt issuance costs	(3,487)	(12)
Net cash provided by (used in) financing activities	160,813	(8,287)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43	(11)
CASH AND CASH EQUIVALENTS, beginning of period	626	637
CASH AND CASH EQUIVALENTS, end of period	$ 669	$ 626
CASH PAID FOR INTEREST	$ 7,679	$ 3,303

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

CHARTER COMMUNICATIONS PROPERTIES HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. ORGANIZATION AND BASIS OF PRESENTATION:

Charter Communications Properties Holdings, LLC (CCPH), a Delaware limited liability company, formerly Charter Communications Properties Holdings, Inc., through its wholly owned cable television operating subsidiary, Charter Communications Properties, LLC (CCP), commenced operations with the acquisition of a cable television system on September 30, 1995. Prior to February 19, 1999, CCPH was wholly owned by Charter Investment, Inc. (Charter Investment).

Effective December 23, 1998, as part of a series of transactions, through which Paul G. Allen acquired Charter Investment, Mr. Allen acquired CCPH for an aggregate purchase price of $211 million, excluding $214 million in debt assumed (the "Paul Allen Transaction"). In conjunction with the Paul Allen Transaction, CCPH was converted from a corporation to a limited liability company. Also, in conjunction with the Paul Allen Transaction, Charter Investment for fair value acquired from unrelated third parties all of the interest it did not already own in CharterComm Holdings, LLC (CharterComm Holdings) and CCA Group (comprised of CCA Holdings, Corp., CCT Holdings Corp. and Charter Communications Long Beach, Inc.), all cable television operating companies, for $2.0 billion, excluding $1.8 billion in debt assumed. Charter Investment previously managed and owned minority interests in these companies. In February 1999, Charter Investment transferred all of its cable television operating subsidiaries to a wholly owned subsidiary of Charter Communications Holdings, LLC (Charter Holdings), Charter Communications Operating, LLC (Charter Operating). Charter Holdings was a wholly owned subsidiary of Charter Investment. The transfer was accounted for as a reorganization of entities under common control similar to a pooling of interests.

The accompanying consolidated financial statements include the accounts of CCPH and CCP, its wholly owned cable operating subsidiary (collectively, the "Company"). The accounts of CharterComm Holdings and CCA Group are not included since these companies were not owned and controlled by Charter Investment prior to December 23, 1998.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. These investments are carried at cost that approximates market value.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, including all direct and certain indirect costs associated with the construction of cable transmission and distribution facilities, and the cost of new customer installations. The costs of disconnecting a customer are charged to expense in the period incurred. Expenditures for repairs and maintenance are charged to expense as incurred, while equipment replacement and betterments are capitalized.

Depreciation is provided on the straight-line basis over the estimated useful lives of the related assets as follows:

Cable distribution systems.................................	3-15 years
Buildings and leasehold improvements........................	5-15 years
Vehicles and equipment.....................................	3-5 years

For the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, depreciation expense was $6.2 million and $3.9 million, respectively.

Franchises

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable systems represent management's estimate of fair value and are generally amortized using the straight-line method over a period of 15 years. The period of 15 years is management's best estimate of the useful lives of the franchises and assumes substantially all of those franchises that expire during the period will be renewed by the Company.

Other Assets

Debt issuance costs are being amortized to interest expense using the effective interest method over the term of the related debt. The interest rate cap costs are being amortized over the terms of the agreement, which approximates three years.

Impairment of Assets

If facts and circumstances suggest that a long-lived asset may be impaired, the carrying value is reviewed. If a review indicates that the carrying value of such asset is not recoverable based on projected undiscounted net cash flows related to the asset over its remaining life, the carrying value of such asset is reduced to its estimated fair value.

Revenues

Cable television revenues from basic and premium services are recognized when the related services are provided.

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable system. As of December 23, 1998, and December 31, 1997, no installation revenue has been deferred, as direct selling costs have exceeded installation revenue.

Fees collected from programmers to guarantee carriage are deferred and amortized to income over the life of the contracts. Local governmental authorities impose franchise fees on the Company ranging up to a federally mandated maximum of 5.0% of gross revenues. Such fees are collected on a monthly basis from the Company's customers and are periodically remitted to local franchise authorities. Franchise fees collected and paid are reported as revenues and expenses.

Interest Rate Hedge Agreements

The Company manages fluctuations in interest rates by using interest rate hedge agreements, as required by certain debt agreements. Interest rate swaps, caps and collars are accounted for as hedges of debt obligations, and accordingly, the net settlement amounts are recorded as adjustments to interest expense in the period incurred. Premiums paid for interest rate caps are deferred, included in other assets, and are amortized over the original term of the interest rate agreement as an adjustment to interest expense.

The Company's interest rate swap agreements require the Company to pay a fixed rate and receive a floating rate thereby creating fixed rate debt. Interest rate caps and collars are entered into by the Company to reduce the impact of rising interest rates on floating rate debt.

The Company's participation in interest rate hedging transactions involves instruments that have a close correlation with its debt, thereby managing its risk. Interest rate hedge agreements have been designated for hedging purposes and are not held or issued for speculative purposes.

Income Taxes

The Company filed a consolidated income tax return with Charter Investment. Income taxes were allocated to the Company in accordance with the tax-sharing agreement between the Company and Charter Investment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ACQUISITION:

In 1998, the Company acquired a cable system for an aggregate purchase price, net of cash acquired, of $228.4 million, comprised of $167.5 million in cash and $60.9 million in a note payable to the seller. The excess of the cost of properties acquired over the amounts assigned to net tangible assets at the date of acquisition was $207.6 million and is included in franchises.

The above acquisition was accounted for using the purchase method of accounting, and accordingly, results of operations of the acquired assets have been included in the financial statements from the dates of acquisition. The purchase price was allocated to tangible and intangible assets based on estimated fair values at the acquisition date.

Unaudited pro forma operating results as though the acquisition discussed above, excluding the Paul Allen Transaction, had occurred on January 1, 1997, with adjustments to give effect to amortization of franchises, interest expense and certain other adjustments are as follows:

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	YEAR ENDED DECEMBER 31, 1997
	(UNAUDITED)	
Revenues	$ 67,007	$ 63,909
Loss from operations	(7,097)	(7,382)
Net loss	(24,058)	(26,099)

The unaudited pro forma information has been presented for comparative purposes and does not purport to be indicative of the results of operations had the transaction been completed as of the assumed date or which may be obtained in the future.

4. ALLOWANCE FOR DOUBTFUL ACCOUNTS:

Activity in the allowance for doubtful accounts is summarized as follows:

	PERIOD FROM JANUARY 1, 1998, THROUGH DECEMBER 23, 1998	FOR THE YEAR ENDED DECEMBER 31, 1997
Balance, beginning of period	$ 52	$ 87
Acquisition of system	96	--
Charged to expense	1,122	325
Uncollected balances written off, net of recoveries	(778)	(360)
Balance, end of period	$ 492	$ 52

5. SALE OF FT. HOOD SYSTEM:

In February 1997, the Company sold the net assets of the Ft. Hood system, which served customers in Texas, for an aggregate sales price of approximately $12.5 million. The sale of the Ft. Hood system resulted in a loss of approximately $1.4 million, which is included in operating, general and administrative costs in the accompanying consolidated statement of operations for the year ended December 31, 1997.

6. INCOME TAXES:

Deferred tax assets and liabilities are recognized for the estimated future tax consequence attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using the enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Deferred income tax expense or benefit is the result of changes in the liability or asset recorded for deferred taxes. A valuation allowance must be established for any portion of a deferred tax asset for which it is more likely than not that a tax benefit will not be realized.

No current provision (benefit) for income taxes was recorded. The effective income tax rate is less than the federal rate of 35% primarily due to providing a valuation allowance on deferred income tax assets.

7. RELATED-PARTY TRANSACTIONS:

Charter Investment provides management services to the Company including centralized customer billing services, data processing and related support, benefits administration and coordination of insurance coverage and self-insurance programs for medical, dental and workers' compensation claims. Certain costs for services are billed and charged directly to the Company's operating subsidiaries and are included in operating costs. These billings are determined based on the number of basic customers. Such costs totaled $437 and $220, respectively, for the period from January 1, 1998, through December 23, 1998, and the year ended December 31, 1997. All other costs incurred by Charter Investment on behalf of the Company are expensed in the accompanying consolidated financial statements and are included in corporate expense allocations related party. The cost of these services is allocated based on the number of basic customers. Management considers these allocations to be reasonable for the operations of the Company.

Charter Investment utilized a combination of excess insurance coverage and self-insurance programs for its medical, dental and workers' compensation claims. Charges are made to the Company as determined by independent actuaries, at the present value of the actuarially computed present and future liabilities for such benefits. Medical coverage provides for $2.4 million aggregate stop loss protection and a loss limitation of $100 per person per year. Workers' compensation coverage provides for $800 aggregate stop loss protection and a loss limitation of $150 per person per year.

The Company is charged a management fee based on percentages of revenues as stipulated in the management agreement between Charter Investment and the Company. For the period from January 1, 1998, through December 23, 1998, and the year ended December 31, 1997, the management fee charged to the Company approximated the corporate expenses incurred by Charter Investment on behalf of the Company.

8. COMMITMENTS AND CONTINGENCIES:

Leases

The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, were $278 and $130, respectively.

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, was $421 and $271, respectively.

Litigation

The Company is a party to lawsuits that arose in the ordinary course of conducting its business. In the opinion of management, after consulting with legal counsel, the outcome of these lawsuits will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Company cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 31, 1998, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Company is unable to justify its basic rates. The Company is unable to estimate at this time the amount of refunds, if any, that may be payable by the Company in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Company does not believe that the amount of any such refunds would have a material adverse effect on the financial position or results of operations of the Company.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulates rates on the cable programming service tier (CPST). The FCC has taken the position that it will still adjudicate pending CPST complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date, March 31, 1999. The Company does not believe any adjudications regarding their pre-sunset complaints will have a material adverse effect on the Company's consolidated financial position or results of operations.

A number of states subject cable systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation. The Company is subject to state regulation in Connecticut.

9. EMPLOYEE BENEFIT PLANS:

401(k) Plan

The Company's employees may participate in the Charter Communications, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 15% of their salary, on or before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company contributes an amount equal to 50% of the first 5% of contributions by each employee. The Company contributed $74 and $29 for the period from January 1, 1998, through December 23, 1998, and for the year ended December 31, 1997, respectively.

Appreciation Rights Plan

Certain employees of Charter participated in the 1995 Charter Communications, Inc. Appreciation Rights Plan (the "Plan"). The Plan permitted Charter Investment to grant 1,500,000 units to certain key employees, of which 1,251,500 were outstanding at December 31, 1997. Units received by an employee vest at a rate of 20% per year, unless otherwise provided in the participant's Appreciation Rights Unit Agreement. The appreciation rights entitled the participants to receive payment, upon termination or change in control of Charter Investment, of the excess of the unit value over the base value (defined as the appreciation value) for each vested unit. The unit value was based on adjusted equity, as defined in the Plan. Deferred compensation expense was based on the appreciation value since the grant date and was being amortized over the vesting period.

As a result of the acquisition of Charter Investment by Mr. Allen, the Plan was terminated, all outstanding units became 100% vested and all amounts were paid by Charter Investment in 1999. The cost of this plan was allocated to the Company based on the number of basic customers. The Company considers this allocation to be reasonable for the operations of the Company. For the period January 1, 1998, through December 23, 1998, the Company expensed $3,800, included in corporate expense allocation-related party and increased shareholder's investment for the cost of this plan.

10. ACCOUNTING STANDARD NOT YET IMPLEMENTED:

In June 1998, the Financial Accounting Standards Board adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument, including certain derivative instruments embedded in other contracts, be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133 -- An Amendment of FASB Statement No. 133, has delayed the effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000. The Company has not yet quantified the impact of adopting SFAS No. 133 on the consolidated financial statements nor has determined the timing of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility in earnings (loss).

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Marcus Cable Holdings, LLC:

We have audited the accompanying consolidated statements of operations, members' deficit and cash flows of Marcus Cable Holdings, LLC and subsidiaries for the three months ended March 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations of Marcus Cable Holdings, LLC and subsidiaries and their cash flows for the three months ended March 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
March 6, 2000

MARCUS CABLE HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31, 1999
REVENUES	$ 125,180
OPERATING EXPENSES:	
Operating costs	45,309
General and administrative	23,675
Depreciation and amortization	51,688
Management fees -- related party	4,381
	125,053
Income from operations	127
OTHER INCOME (EXPENSE):	
Interest Income	104
Interest expense	(27,067)
Other, net	(158)
	(27,121)
Loss before extraordinary item	(26,994)
EXTRAORDINARY ITEM -- Loss from early extinguishment of debt	(107,978)
Net loss	$(134,972)

The accompanying notes are an integral part of this consolidated statement.

MARCUS CABLE HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF MEMBERS' DEFICIT
(DOLLARS IN THOUSANDS)

	MARCUS CABLE PROPERTIES, L.L.C	VULCAN CABLE, INC	MEMBERS' DEFICIT
BALANCE, December 31, 1998	$(21,355)	$ 125,639	$ 104,284
Net loss -- January 1, 1999 to March 31, 1999	(5,129)	(129,843)	(134,972)
BALANCE, March 31, 1999	$(26,484)	$ (4,204)	$ (30,688)

The accompanying notes are an integral part of this consolidated statement.

MARCUS CABLE HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (134,972)
Adjustments to reconcile net loss to net cash provided by operating activities --	
Depreciation and amortization	51,688
Amortization of non-cash interest expense	868
Accretion of notes payable	14,522
Extraordinary item -- loss from early extinguishment of long-term debt	107,978
Changes in assets and liabilities, net of effects from dispositions of cable television systems-	
Accounts receivable	2,650
Prepaid expenses and other	2,882
Accounts payable and accrued expenses	(13,170)
Other operating activities	9,022
Net cash provided by operating activities	41,468
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(57,057)
Net cash used in investing activities	(57,057)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Borrowings of long-term debt	24,246
Repayments of long-term debt	(1,680,142)
Loan from Charter Holdings	1,680,142
Net cash provided by financing activities	24,246
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,657
CASH AND CASH EQUIVALENTS, beginning of period	813
CASH AND CASH EQUIVALENTS, end of period	$ 9,470
CASH PAID FOR INTEREST	$ 12,807

The accompanying notes are an integral part of this consolidated statement.

MARCUS CABLE HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

1. ORGANIZATION AND BASIS OF PRESENTATION

Marcus Cable Holdings, LLC (Marcus Holdings), a Delaware limited liability company, was formed in February 1999 as parent of Marcus Cable Company, L.L.C. (MCCLLC), formerly Marcus Cable Company, L.P. (MCCLP). MCCLP was formed as a Delaware limited partnership and was converted to a Delaware limited liability company on June 9, 1998. Marcus Holdings and its subsidiaries (collectively, the "Company") derive their primary source of revenues by providing various levels of cable television programming and services to residential and business customers. The Company's operations are conducted through Charter Cable Operating Company, LLC, formerly Marcus Cable Operating Company, L.L.C., a wholly owned subsidiary of the Company. The Company operates cable television systems primarily in Texas, Wisconsin, Indiana, California and Alabama.

The accompanying consolidated financial statements include the accounts of MCCLLC and its subsidiary limited liability companies and corporations, representing the financial statements of the Company for the period presented. All significant intercompany accounts and transactions have been eliminated in consolidation.

On April 23, 1998, Vulcan Cable, Inc. and Paul G. Allen (collectively referred to as "Vulcan") acquired all of the outstanding limited partnership interest and substantially all of the general partner interest in MCCLP for cash payments of $1,392,000 (the "Vulcan Acquisition"). Under the terms of the purchase agreement, the owner of the remaining 0.6% general partner interest in the Company (the "Minority Interest"), which represents 100% of the voting control of the Company, could cause Vulcan to purchase the 0.6% general partner interest under certain conditions, or Vulcan could cause the Minority Interest to sell its interest to Vulcan under certain conditions at a fair value of not less than $8,000. On March 31, 1999, Vulcan acquired voting control of the Company by its acquisition of the Minority Interest for cash consideration.

Effective December 23, 1998, through a series of transactions, Mr. Allen acquired approximately 94% of Charter Communications, Inc. (Charter) (renamed Charter Investment, Inc.). Beginning in October 1998, Charter began to manage the operations of the Company.

In March 1999, Charter transferred all of its cable television operating subsidiaries to a subsidiary, Charter Communications Holdings, LLC (Charter Holdings) in connection with the issuance of Senior Notes and Senior Discount Notes totaling $3.6 billion. These operating subsidiaries were then transferred to Charter Communications Operating, LLC (Charter Operating). On April 7, 1999, the cable television operating subsidiaries of the Company were transferred to Charter Operating subsequent to the purchase by Mr. Allen of the Minority Interest.

As a result of the Vulcan Acquisition, the Company recognized severance and stay-on bonus compensation of $16,034 for the year ended December 31, 1998. As of December 31, 1998, 35 employees and officers of the Company had been terminated and $13,634 had been paid under severance and bonus arrangements. By March 31, 1999, 50 additional employees were terminated and the remaining balance of $2,400 was paid in April 1999.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost, including all direct and certain indirect costs associated with the construction of cable television transmission and distribution facilities, and the cost of new customer installation. The costs of disconnecting a customer are charged to expense in the period incurred. Expenditures for maintenance and repairs are charged to expense as incurred and equipment replacements and betterments are capitalized.

Depreciation is provided by the straight-line method over the estimated useful lives of the related assets as follows:

Cable distribution systems..................................	3-10 years
Buildings and leasehold improvements........................	5-15 years
Vehicles and equipment......................................	3- 5 years

Depreciation expense for the three months ended March 31, 1999 was $33,696.

FRANCHISES

Costs incurred in obtaining and renewing cable television franchises are deferred and amortized over the estimated lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable television systems represent management's estimate of fair value and are amortized using the straight-line method over a period of 15 years. The period of 15 years is management's best estimate of the useful lives of the franchises and assumes substantially all of those franchises that expire during the period will be renewed by the Company. Amortization expense for the three months ended March 31, 1999 was $17,992.

OTHER ASSETS

Debt issuance costs are amortized to interest expense over the term of the related debt.

IMPAIRMENT OF ASSETS

If facts and circumstances suggest that a long-lived asset may be impaired, the carrying value is reviewed. If a review indicates that the carrying value of such asset is not recoverable based on projected undiscounted cash flows related to the asset over its remaining life, the carrying value of such asset is reduced to its estimated fair value.

REVENUES

Cable television revenues from basic and premium services are recognized when the related services are provided.

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable television system. As of March 31, 1999, no installation revenue has been deferred as direct selling costs exceeded installation revenue.

INCOME TAXES

Income taxes are the responsibility of the individual members and are not provided for in the accompanying financial statements. The Company's subsidiary corporations are subject to federal income tax but have had no operations since inception and therefore, no taxable income.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. MEMBERS' EQUITY (DEFICIT)

Upon completion of the Vulcan Acquisition, Vulcan owned 99.4% of MCCLP through direct ownership of all LP Units and through 80% ownership of Marcus Cable Properties, Inc. ("MCPI"), the general partner of Marcus Cable Properties, L.P. ("MCPLP"), the general partner of MCCLP. The Minority Interest owned the voting common stock, or the remaining 20% of MCPI.

On June 9, 1998, MCCLP was converted into a Delaware limited liability company with two members: Vulcan Cable, Inc., with 96.2% ownership, and Marcus Cable Properties, L.L.C. ("MCPLLC") (formerly MCPLP), with 3.8% ownership. Vulcan Cable, Inc. owns approximately 25.6% and MCPI owns approximately 74.4% of MCPLLC, with Vulcan's interest in MCPI unchanged. As there was no change in ownership interests, the historical partners' capital balances at June 9, 1998 were transferred to and became the initial equity of MCCLLC, and thus the accompanying statement of members' equity has been presented as if the conversion of MCCLP into MCCLLC occurred on April 23, 1998, the date of the Vulcan Acquisition (see Note 1).

As of March 31, 1999, MCCLLC has 100 issued and outstanding membership units. Income and losses of MCCLLC are allocated to the members in accordance with their ownership interests. Members are not personally liable for obligations of MCCLLC.

4. RELATED PARTY TRANSACTIONS

The Company and Charter entered into a management agreement on October 6, 1998 whereby Charter began to manage the day-to-day operations of the Company. In consideration for the management consulting services provided by Charter, Marcus paid Charter an annual fee equal to 3% of the gross revenues of the cable system operations plus reimbursement for out of pocket costs and expenses incurred by Charter in performing services under the management agreement. For the three months ended March 31, 1999, management fees under this agreement were $4,381. In connection with the transfer of the Company's operating subsidiaries to Charter Operating, the annual fee paid by Marcus to Charter increased to 3.5%.

5. EMPLOYEE BENEFIT PLAN

The Company sponsored a 401(k) plan for its employees whereby employees that qualified for participation under the plan could contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company matched participant contributions up to a maximum of 2% of a participant's salary. As a result of the Vulcan Acquisition, participants became fully vested in Company matching contributions.

In connection with Vulcan's acquisition of Charter, the Marcus Plan's assets were frozen as of December 23, 1998 and employees became fully vested in company matching contributions after the Vulcan Acquisition. Effective January 1, 1999, the Company's employees with two months of service are eligible to participate in the Charter Communications, Inc. 401(k) Plan (the "Charter Plan"). Employees that qualify for participation in the Charter Plan can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Company contributes an amount equal to 50% of the first 5% of contributions by each employee. For the three months ended March 31, 1999, the Company made contributions to the Charter Plan of $237.

6. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases certain facilities and equipment under noncancelable operating leases. Lease and rental costs charged to expense for the three months ended March 31, 1999 were $584. The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense for pole attachments for the three months ended March 31, 1999 was $955.

LITIGATION

In Alabama, Indiana, Maryland, Texas and Wisconsin, customers have filed putative class action lawsuits on behalf of all of the Company's customers residing in those states who are or were customers, and who have been charged a processing fee for delinquent payment of their cable bill. The plaintiffs challenge the legality of the processing fee and seek declaratory judgment, injunctive relief and unspecified damages. The Company is in the process of finalizing a global settlement of these cases, which settlement must be approved by a court. Unless a global settlement is consummated and approved, the Company intends to vigorously defend the actions. At this stage, the Company is not able to project the final costs of settlement, the expenses of defending the actions or the potential outcome of the actions, including the impact on the consolidated financial position or results of operations.

The Company is also party to lawsuits, which are generally incidental to its business. In the opinion of management, after consulting with legal counsel, the outcome of these lawsuits will not have a material adverse effect on the Company's consolidated financial position or results of operations.

REGULATION IN THE CABLE TELEVISION INDUSTRY

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable television systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Company cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 31, 1998, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Company is unable to justify its basic rates. The Company is unable to estimate at this time the amount of refunds, if any, that may be payable by the Company in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Company does not believe that the amount of any such refunds would have a material adverse effect on the financial position or results of operations of the Company.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulates rates on the cable programming service tier (CPST). The FCC is currently developing permanent regulations to implement the rate deregulation provisions of the 1996 Telecom Act. The Company cannot predict the ultimate effect of the 1996 Telecom Act on the Company's financial position or results of operations.

The FCC may further restrict the ability of cable television operators to implement rate increases or the United States Congress may enact legislation that could delay or suspend the scheduled March 1999 termination of CPST rate regulation. This continued rate regulation, if adopted, could limit the rates charged by the Company.

A number of states subject cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation.

7. LONG-TERM DEBT

In March 1999, concurrent with the issuance of Senior Notes and Senior Discount Notes (see Note 1), Charter and the Company extinguished all long-term debt, excluding borrowings of Charter and the Company under their respective credit agreements, and refinanced all existing credit agreements at various subsidiaries of Charter and the Company with a new credit agreement entered into by Charter Operating. The excess of the amount paid over the carrying value of the Company's long-term debt, net of unamortized debt issuance costs, was recorded as Extraordinary item -- loss on early extinguishment of debt in the accompanying consolidated statement of operations.

8. ACCOUNTING STANDARD NOT IMPLEMENTED

In June 1998, the Financial Accounting Standards Boards adopted Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Financial Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133, as amended by SFAS No. 137, is effective for fiscal years beginning after June 15, 2000. The Company has not yet quantified the impacts of adopting SFAS No. 133 on its consolidated financial statements nor has it determined the timing or method of its adoption of SFAS No. 133. However, SFAS No. 133 could increase volatility of earnings (loss).

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Renaissance Media Group LLC

We have audited the accompanying consolidated balance sheet of Renaissance Media Group LLC (the "Company") as of April 30, 1999 and the related consolidated statements of operations, changes in members' equity, and cash flows for the four months ended April 30, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at April 30, 1999, and the consolidated results of its operations and its cash flows for the four months then ended in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
June 4, 1999
except for Note 11, as to which the date is
June 29, 1999

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS)

	APRIL 30, 1999
ASSETS	
Cash and cash equivalents	$ 5,400
Accounts receivable -- trade (less allowance for doubtful accounts of $86)	520
Accounts receivable -- other	492
Prepaid expenses and other assets	416
Investment in cable television systems:	
Property, plant and equipment	76,250
Less: accumulated depreciation	(10,706)
	65,544
Cable television franchises	238,429
Less: accumulated amortization	(16,754)
	221,675
Intangible assets	17,544
Less: accumulated amortization	(1,525)
	16,019
Net investment in cable television systems	303,238
Total assets	$310,066
LIABILITIES AND MEMBERS' EQUITY	
Accounts payable	$ 546
Accrued expenses	3,222
Subscriber advance payments and deposits	657
Deferred marketing credits	650
Debt	213,402
Total liabilities	218,477
Members' equity:	
Paid-in capital	108,600
Accumulated deficit	(17,011)
Total members' equity	91,589
Total liabilities and members' equity	$310,066

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC
CONSOLIDATED STATEMENT OF OPERATIONS
(IN THOUSANDS)

	FOUR MONTHS ENDED APRIL 30, 1999
Revenues	$20,396
Costs and expenses:	
Service costs	6,325
Selling, general and administrative	3,057
Depreciation and amortization	8,912
Operating income	2,102
Interest income	122
Interest (expense)	(6,321)
(Loss) before credit for taxes	(4,097)
Credit for taxes	65
Net (loss)	$(4,032)

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
(IN THOUSANDS)

	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL MEMBERS' EQUITY
Balance December 31, 1998	$108,600	$(12,979)	$95,621
Net (loss)	--	(4,032)	(4,032)
Balance April 30, 1999	$108,600	$(17,011)	$91,589

See accompanying notes to consolidated financial statements.

RENAISSANCE MEDIA GROUP LLC

CONSOLIDATED STATEMENT OF CASH FLOWS

(IN THOUSANDS)

	FOUR MONTHS ENDED APRIL 30, 1999
OPERATING ACTIVITIES	
Net (loss)	$(4,032)
Adjustments to non-cash and non-operating items:	
Depreciation and amortization	8,912
Accretion on Senior Discount Notes	3,528
Other non-cash charges	322
Changes in operating assets and liabilities:	
Accounts receivable -- trade, net	206
Accounts receivable -- other	92
Prepaid expenses and other assets	(75)
Accounts payable	(1,496)
Accrued expenses	(3,449)
Subscriber advance payments and deposits	49
Deferred marketing support	(150)
Net cash provided by operating activities	3,907
INVESTING ACTIVITIES	
Purchased cable television systems:	
Property, plant and equipment	(830)
Cable television franchises	(1,940)
Escrow deposit	150
Capital expenditures	(4,250)
Other intangible assets	16
Net cash used in investing activities	(6,854)
FINANCING ACTIVITIES	
Repayment of advances from Holdings	(135)
Net cash used in financing activities	(135)
Net decrease in cash and cash equivalents	(3,082)
Cash and cash equivalents at December 31, 1998	8,482
Cash and cash equivalents at April 30, 1999	$ 5,400
SUPPLEMENTAL DISCLOSURES	
Interest paid	$ 4,210

See accompanying notes to consolidated financial statements

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(ALL DOLLAR AMOUNTS IN THOUSANDS)

1. ORGANIZATION AND BASIS OF PRESENTATION

Renaissance Media Group LLC ("Group") a wholly owned subsidiary of Renaissance Media Holdings LLC ("Holdings"), was formed in March 1998 to own and operate cable television systems in small and medium sized markets, which provide programming, and other related services, to subscribers through its hybrid coaxial and fiber optic distribution plant for a monthly fee. Group and its wholly owned subsidiaries, Renaissance Media (Louisiana) LLC ("Louisiana"), Renaissance Media (Tennessee) LLC ("Tennessee"), and Renaissance Media LLC ("Media") are collectively referred to as the "Company". On April 9, 1998, the Company acquired six cable television systems (the "Acquisition") from TWI Cable, Inc., a subsidiary of Time Warner Inc. ("Time Warner"). Prior to the Acquisition, the Company had no operations other than start-up related activities.

On February 23, 1999, Holdings, Charter Communications, Inc. ("Charter"), now known as Charter Investment, Inc. and Charter Communications, LLC ("Buyer" or "CC LLC") executed a purchase agreement (the "Charter Purchase Agreement"), providing for Holdings to sell and Buyer to purchase, all of the outstanding limited liability company membership interests in Group held by Holdings (the "Charter Transaction") subject to certain covenants and restrictions pending satisfaction of certain conditions prior to closing. The purchase price was $459,000, consisting of $348,000 in cash and $111,000 in assumed debt. On April 30, 1999, the Charter Transaction was consummated.

These financial statements have been prepared as of and for the four months ended April 30, 1999 immediately prior to the consummation of the Charter Transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NEW ACCOUNTING STANDARDS

During 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133 -- An Amendment of FASB Statement No. 133" has delayed the effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000. The adoption of SFAS No. 133 is not expected to have a material impact on the consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries. Significant inter-company accounts and transactions have been eliminated.

CONCENTRATION OF CREDIT RISK

A significant portion of the customer base is concentrated within the local geographical area of each of the individual cable television systems. The Company generally extends credit to customers and the ultimate collection of accounts receivable could be affected by the local economy. Management performs continuous credit evaluations of its customers and may require cash in advance or other special arrangements from certain customers. Management does not believe that there is any significant credit risk which could have a material effect on the Company's financial condition.

(ALL DOLLAR AMOUNTS IN THOUSANDS)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and investments in short-term, highly liquid securities, which have maturities when purchased of three months or less.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at purchased and capitalized cost. Capitalized internal costs principally consist of employee costs and interest on funds borrowed during construction. Capitalized labor, materials and associated overhead amounted to approximately $721 for the four months ended April 30, 1999. Replacements, renewals and improvements to installed cable plant are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation expense for the four months ended April 30, 1999 amounted to $3,434.

Property, plant and equipment is depreciated using the straight-line method over the following estimated service lives:

Buildings and leasehold improvements	5-30 years
Cable systems, equipment and subscriber devices	5-30 years
Transportation equipment	3-5 years
Furniture, fixtures and office equipment	5-10 years

Property, plant and equipment at April 30, 1999 consisted of:

Land	$ 436
Buildings and leasehold improvements	1,445
Cable systems, equipment and subscriber devices	64,658
Transportation equipment	2,301
Furniture, fixtures and office equipment	923
Construction in progress	6,487
	76,250
Less: accumulated depreciation	(10,706)
Total	$65,544

CABLE TELEVISION FRANCHISES AND INTANGIBLE ASSETS

Cable television franchise costs include the assigned fair value, at the date of acquisition, of the franchises from purchased cable television systems. Intangible assets include goodwill, deferred financing and other intangible assets. Cable television franchises and intangible assets are amortized using the straight-line method over the following estimated useful lives:

Cable television franchises	15 years
Goodwill	25 years
Deferred financing and other intangible assets	2-10 years

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ALL DOLLAR AMOUNTS IN THOUSANDS)

Intangible assets at April 30, 1999 consisted of:

Goodwill	$ 8,608
Deferred financing costs	8,307
Other intangible assets	629
	17,544
Less: accumulated amortization	(1,525)
Total	$16,019

The Company reviews the carrying value of its long-lived assets, including property, plant and equipment, cable television franchises and intangible assets, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent the estimated future cash inflows attributable to the asset, less estimated future cash outflows, is less than the carrying amount, an impairment loss is recognized to the extent that the carrying value of such asset is greater than its fair value.

REVENUES AND COSTS

Subscriber fees are recorded as revenue in the period the related services are provided and advertising revenues are recognized in the period the related advertisements are exhibited. Rights to exhibit programming are purchased from various cable networks. The costs of such rights are generally expensed as the related services are made available to subscribers.

ADVERTISING COSTS

Advertising costs are expensed upon the first exhibition of the related advertisements and are recorded net of marketing credits earned from launch incentive and cooperative advertising programs.

During the four months ended April 30, 1999 the company earned marketing credits in excess of advertising expense incurred. Advertising expense and marketing credits amounted to $263 and $306, respectively, for the four months ended April 30, 1999.

ESTIMATES USED IN FINANCIAL STATEMENT PRESENTATION

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ACQUISITIONS

BAYOU VISION, INC.

On February 3, 1999, Media acquired the cable television assets of Bayou Vision, Inc. and Gulf South Cable, Inc. serving approximately 1,950 subscribers in the Villages of Estherwood, Morse and Mermentau and Acadia and Livingston Parish, Louisiana. The cash purchase price was approximately $2,700 and was paid out of available Company funds.

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ALL DOLLAR AMOUNTS IN THOUSANDS)

4. DEBT

As of April 30, 1999, debt consisted of:

10% Senior Discount Notes at accreted value (a)	$110,902
Credit Agreement (b)	102,500
	$213,402

(a) On April 9, 1998, the Company issued $163,175 principal amount at maturity, $100,012 initial accreted value, of 10% senior discount notes due 2008 (the "Notes"). The Notes pay no cash interest until April 15, 2003. From and after April 15, 2003 the Notes will bear interest, payable semi-annually in cash, at a rate of 10% per annum on April 15 and October 15 of each year, commencing October 15, 2003. The Notes are due on April 15, 2008. The fair market value of the Notes at April 30, 1999 was $116,262. See Note 11 regarding the offer to repurchase the Notes.

(b) On April 9, 1998, Media entered into a credit agreement among Morgan Stanley & Co. Incorporated as Placement Agent, Morgan Stanley Senior Funding Inc., as Syndication Agent, the Lenders, CIBC Inc., as Documentation Agent and Bankers Trust Company as Administrative Agent (the "Credit Agreement"). The aggregate commitments under the Credit Agreement total $150,000, consisting of a $40,000 revolver (the "Revolver"), $60,000 Tranche A Term Loans and $50,000 Tranche B Term Loans (collectively the "Term Loans"). The Revolver and Term Loans are collateralized by a first lien position on all present and future assets and the member's interest of Media, Louisiana and Tennessee. The Credit Agreement provides for interest at varying rates based upon various borrowing options and the attainment of certain financial ratios and for commitment fees of 1/2% on the unused portion of the revolver. Management believes the terms are comparable to those that could be obtained from third parties. The effective interest rate, including commitment fees and amortization of related deferred financing costs and the interest-rate cap, for the four months ended April 30, 1999 was 7.58%. See Note 11 regarding the repayment of amounts outstanding under the Credit Agreement upon consummation of the Charter Transaction. The Credit Agreement and the indenture pursuant to which the Notes were issued contain restrictive covenants on the Company regarding additional indebtedness, investment guarantees, loans, acquisitions, dividends and merger or sale of the subsidiaries and require the maintenance of certain financial ratios.

5. INTEREST RATE CAP AGREEMENT

The Company purchases interest rate cap agreements that are designed to limit its exposure to increasing interest rates and are designated to its floating rate debt. The strike price of these agreements exceeds the current market levels at the time they are entered into. The interest rate indices specified by the agreements have been and are expected to be highly correlated with the interest rates the Company incurs on its floating rate debt. Payments to be received as a result of the specified interest rate index exceeding the strike price are accrued in other assets and are recognized as a reduction of interest expense (the accrual accounting method). The cost of these agreements is included in other assets and amortized to interest expense ratably during the life of the agreement. Upon termination of interest rate cap agreements, any gain is deferred in other liabilities and amortized over the remaining term of the original contractual life of the agreement as a reduction of interest expense.

The Company purchased an interest rate cap agreement from Morgan Stanley Capital Services Inc. The carrying value as of April 30, 1999 was $34. The fair value of the interest rate cap was $0 as of April 30, 1999.

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ALL DOLLAR AMOUNTS IN THOUSANDS)

The following table summarizes the interest rate cap agreement:

NOTIONAL PRINCIPAL AMOUNT	TERM	EFFECTIVE DATE	TERMINATION DATE	INITIAL CONTRACT COST	FIXED RATE (PAY RATE)
$100,000	2 Years	12/1/97	12/1/99	$100	7.25%

6. TAXES

For the four months ended April 30, 1999, the credit for taxes has been calculated on a separate company basis. The components of the credit for taxes are as follows:

	FOUR MONTHS ENDED APRIL 30, 1999
Federal:	
Current	$ --
Deferred	--
State:	--
Current	(65)
Deferred	--
(Credit) for taxes	$(65)

The Company's current state tax credit results from overpayment in 1998 of franchise tax in Tennessee and Mississippi and tax on capital in New York.

The Company has a net operating loss ("NOL") carry-forward for income tax purposes which is available to offset future taxable income. This NOL totals approximately $22,324 and will expire in the year 2018 and 2019 at $14,900 and $7,424 respectively. The Company has established a valuation allowance to offset the entire potential future tax benefit of the NOL carry-forward and, therefore, has recognized no deferred tax asset with respect to the NOL.

Louisiana and Tennessee have elected to be treated as corporations for federal income tax purposes and have not recorded any tax benefit for their losses as the realization of these losses by reducing future taxable income in the carry forward period is uncertain at this time.

7. RELATED PARTY TRANSACTIONS

(A) Transactions with Morgan Stanley entities

In connection with the Acquisition, Media entered into the Credit Agreement with Morgan Stanley Senior Funding Inc. and Morgan Stanley & Co. Incorporated (collectively the "Morgan Stanley Entities") acted as the Placement Agent for the Notes. In connection with these services the Morgan Stanley Entities received customary fees and expense reimbursement comparable to that of a third party exchange.

(B) Transactions with Time Warner and related parties

In connection with the Acquisition, Media entered into an agreement with Time Warner (the "Time Warner Agreement"), pursuant to which Time Warner managed the Company's programming in exchange for providing the Company access to certain Time Warner programming arrangements (the "Programming Arrangements"). Management believes that programming rates made available to the Company through its relationship with Time Warner are lower than rates that the Company could obtain separately. Such volume rates will not continue to be available after the Charter Transaction.

(ALL DOLLAR AMOUNTS IN THOUSANDS)

For the four months ended April 30, 1999, the Company incurred approximately $2,716 in costs under the Programming Arrangements. In addition, the Company has incurred programming costs of approximately $958 for programming services owned directly or indirectly by Time Warner entities for the four months ended April 30, 1999.

(C) Transactions with board member

The Company has utilized the law firm of one of its board members for legal services for the Acquisition, financing agreements and various ongoing legal matters. These fees totaled approximately $154 for the four months ended April 30, 1999.

8. ACCRUED EXPENSES

Accrued expenses as of April 30, 1999 consist of the following:

Accrued franchise fees	$ 830
Accrued programming costs	644
Accrued salaries, wages and benefits	516
Accrued interest	340
Accrued property and sales tax	231
Accrued legal and professional fees	43
Other accrued expenses	618
	$3,222

9. EMPLOYEE BENEFIT PLAN

The Company sponsors a defined contribution plan which covers substantially all employees (the "Plan"). The Plan provides for contributions from eligible employees up to 15% of their compensation subject to Internal Revenue Code limitations. The Company's contribution to the Plan is limited to 50% of each eligible employee's contribution up to 10% of his or her compensation. The Company has the right in any year to set the amount of the Company's contribution percentage. Company matching contributions to the Plan for the four months ended April 30, 1999 were approximately $54. All participant contributions and earnings are fully vested upon contribution and Company contributions and earnings vest 20% per year of employment with the Company, becoming fully vested after five years.

In connection with the Charter Transaction, the Plan's assets were frozen as of April 30, 1999, and employees became fully vested. Effective July 1, 1999, the Company's employees with two months of service are eligible to participate in the Charter Communications, Inc. 401(k) Plan.

10. COMMITMENTS AND CONTINGENCIES

(A) Leases

The Company had rental expense under various lease and rental agreements primarily for offices, tower sites and warehouses of approximately $59 for the four months ended April 30, 1999. In addition, the Company rents utility poles in its operations generally under short term arrangements, but the Company

RENAISSANCE MEDIA GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ALL DOLLAR AMOUNTS IN THOUSANDS)

expects these arrangements to recur. Total rent expense for utility poles was approximately $272 for the four months ended April 30, 1999.

Future minimum annual rental payments under noncancellable leases are as follows:

1999	$ 29
2000	38
2001	24
2002	21
2003 and thereafter	70
Total	$182

(B) Employment Agreements

Media entered into employment agreements with six senior executives, who are also investors in Holdings, for the payment of salaries and bonuses. In connection with the Charter Transaction, the employment agreements with the six senior executives were terminated with no liability to the Company.

(C) Other Agreements

In exchange for certain flexibility in establishing cable rate pricing structures for regulated services that went into effect on January 1, 1996, Time Warner agreed with the Federal Communications Commission ("FCC") to invest in certain upgrades to its cable infrastructure (consisting primarily of materials and labor in connection with the plant upgrades up to 750 MHz) by November 30, 2000. This agreement with the FCC (the "FCC Agreement") has been assumed by the Company as part of the Acquisition and did not terminate as a result of the Charter Transaction. The Company has agreed to invest approximately $25,100 in upgrades to its cable infrastructure in accordance with the FCC Agreement.

The Company has spent approximately $3,650 on such upgrades as of April 30, 1999.

11. SUBSEQUENT EVENTS

The Charter Transaction was consummated at the close of business on April 30, 1999. In connection with the closing of the Charter Transaction, all amounts outstanding under the Credit Agreement, including accrued interest and unpaid fees, were paid in full and the Credit Agreement was terminated. The effects of the debt repayment and the CC LLC capital contribution will be reflected in the consolidated financial statements of the Company for periods subsequent to April 30, 1999.

In connection with the closing of the Charter Transaction, the Time Warner Agreement was terminated on April 30, 1999 and Media paid Time Warner $650 for deferred marketing credits owed to program providers under the Programming Arrangements. See Note 7 (Transactions with Time Warner and related parties).

On May 28, 1999, as a result of the Charter Transaction (i.e., change of control) and in accordance with the terms and conditions of the indenture governing the Notes, the Company made an offer (the "Tender Offer") to purchase any and all of the Notes at 101% of their accreted value, plus accrued and unpaid interest, if any, through June 28, 1999. The Tender Offer expired on June 23, 1999, whereby 48,762 notes ($1,000 face amount at maturity) were validly tendered and accepted for purchase. On June 28, 1999, Charter Communications Operating, LLC, the indirect parent of Group, paid a sum of $34,223 for all of the Notes validly tendered. Accordingly, the Company recorded this payment for the extinguishment of debt as a capital contribution.

12. MANAGEMENT AGREEMENT (UNAUDITED)

Effective May 1, 1999, the Company is charged a management fee equal to 3.5% of revenues, as stipulated in the previous management agreement between Charter and Charter Communications Operating, LLC ("CCO"), the indirect parent of Group. To the extent that management fees charged to the Company are greater/(less) than the proportionate share (based on basic subscribers) of corporate expenses incurred by Charter on behalf of the Company, Group will record distributions to/(capital contributions from) Charter. On November 12, 1999, Charter and CCO entered into a revised management agreement eliminating the 3.5% management fee and entitling Charter to reimbursement from CCO of all of its costs incurred in connection with the performance of its services under the revised management agreement.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Greater Media, Inc.:

We have audited the accompanying combined statements of income, changes in net assets and cash flows of Greater Media Cablevision Systems (see Note 1) (collectively, the "Combined Systems") included in Greater Media, Inc., for the nine months ended June 30, 1999. These combined financial statements are the responsibility of management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the results of operations of the Combined Systems and their cash flows for the nine months ended June 30, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
March 6, 2000

GREATER MEDIA CABLEVISION SYSTEMS

COMBINED STATEMENT OF INCOME
(IN THOUSANDS)

	NINE MONTHS ENDED JUNE 30, 1999
REVENUES	$62,469
OPERATING EXPENSES:	
Operating	26,248
General and administrative	9,150
Corporate charges- related party	3,175
Depreciation and amortization	7,398
	45,971
Income from operations	16,498
OTHER EXPENSE:	
Interest expense, net	(705)
Other	(365)
INCOME BEFORE PROVISION IN LIEU OF INCOME TAXES	15,428
PROVISION IN LIEU OF INCOME TAXES	6,646
NET INCOME	$ 8,782

The accompanying notes are an integral part of these combined statements.

GREATER MEDIA CABLEVISION SYSTEMS

COMBINED STATEMENT OF CHANGES IN NET ASSETS
(IN THOUSANDS)

BALANCE, September 30, 1998	$54,131
Net income	8,782
Provision in lieu of income taxes	6,646
Net payments to affiliates	(34)
BALANCE, June 30, 1999	$69,525

The accompanying notes are an integral part of these combined statements.

GREATER MEDIA CABLEVISION SYSTEMS

COMBINED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	NINE MONTHS ENDED JUNE 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 8,782
Adjustments to reconcile net income to net cash provided by operating activities --	
Depreciation and amortization	7,398
Provision in lieu of income taxes	6,646
Loss on sale of fixed assets	465
Changes in assets and liabilities --	
Accounts receivable, prepaid expenses and other current assets	(1,431)
Other assets	10
Accounts payable and accrued expenses	(178)
Customers' prepayments and deferred installation revenue	218
Net cash provided by operating activities	21,910
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(13,797)
Other	(512)
Net cash used in investing activities	(14,309)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net payments to affiliates	(34)
Net cash used in financing activities	(34)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,567
CASH AND CASH EQUIVALENTS, beginning of period	4,080
CASH AND CASH EQUIVALENTS, end of period	$ 11,647
CASH PAID FOR NON-AFFILIATE INTEREST	$ 264

The accompanying notes are an integral part of these combined statements.

GREATER MEDIA CABLEVISION SYSTEMS
NOTES TO COMBINED FINANCIAL STATEMENTS
(IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization, Basis of Presentation and Operations

Greater Media Cablevision Systems is comprised of the following Massachusetts-based cable television systems: Auburn, Boylston, Chicopee, Dudley, East Longmeadow, Easthampton, Grafton, Hampden, Holden, Leicester, Ludlow, Millbury, Northborough, Northbridge, Oxford, Paxton, Southampton, Southborough, Southbridge, Spencer, Sturbridge, Upton, Webster, West Boylston, West Brookfield, Westborough, Wilbraham and Worcester (the "Combined Systems"). The Combined Systems are wholly-owned by Greater Media Cablevision, Inc. (the "Company"). The combined financial statements do not include the accounts of Greater Philadelphia Cablevision, Inc. or Greater Philadelphia Cablevision Limited Partnership, which are also wholly-owned by the Company. The Company is a wholly-owned subsidiary of Greater Media, Inc. (the "Parent"). On June 30, 1999, Charter Communications Entertainment I, LLC, an indirect subsidiary of Charter Communications Holdings Company, LLC purchased the Combined Systems for an aggregate purchase price of $500 million plus a working capital adjustment (the "Charter Sale"). Effective with this change of ownership, the Combined Systems will be managed by Charter Investment, Inc.

Significant intercompany accounts and transactions between the Combined Systems have been eliminated in the combined financial statements.

The Combined Systems primarily provide cable television services to subscribers in central and western Massachusetts.

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Property, Plant and Equipment

Maintenance and repair costs are expensed when incurred. For financial reporting purposes, depreciation is provided on the straight-line method based on the following estimated useful lives:

Land improvements..	20 years
Furniture, fixtures and equipment..........................	3-15 years
Buildings..	15-40 years
Trunk and distribution systems.............................	7-12 years

Depreciation expense for the nine months ended June 30, 1999, was $7,343.

Intangible Assets

Intangible assets consist primarily of goodwill, which is amortized over forty years, and costs incurred in obtaining and renewing cable franchises, which are amortized over the life of the respective franchise agreements. Amortization expense for the nine months ended June 30, 1999, was $55.

Revenues

Cable television revenues from basic and premium services are recognized when the related services are provided.

Segments

Segments have been identified based upon management responsibility. The Company operates in one segment, cable services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. INCOME TAXES

The Combined Systems are included in the consolidated federal income tax return of the Parent. The Parent is responsible for tax payments applicable to the Combined Systems. The combined financial statements reflect a provision in lieu of income taxes as if the Combined Systems were filing on a separate company basis. Accordingly, the Combined Systems have included the provision in lieu of income taxes as a component of net assets.

The provision in lieu of income taxes approximates the amount of tax computed using U.S. statutory rates, after reflecting state income tax expense.

3. RELATED PARTY TRANSACTIONS

The Company and each of its subsidiaries are guarantors of the Parent's debt.

The combined statements include charges for certain corporate expenses incurred by the Parent on behalf of the Combined Systems. Such charges amounted to $3,175 for the nine months ended June 30, 1999. Management believes that this cost is reasonable and reflects costs of doing business that the Combined Systems would have incurred on a stand-alone basis.

4. EMPLOYEE BENEFIT PLANS

401(k) Plan

The Combined Systems' employees participate in the Greater Media, Inc. 401(k) Plan (the "401(k) Plan"). Employees that qualify for participation can contribute up to 12% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. The Combined Systems' contribute an amount equal to 50% of the participant's contribution, limited to the lessor of 3% of the participant's compensation or $1 per year. In connection with the Charter Sale, all employees became fully vested. Following the Charter Sale, the Company's 401(k) plan was merged into Charter Communication, Inc.'s.

The Combined Systems expense relating to the 401(k) Plan for the nine months ended June 30, 1999, was $123.

PENSION

Certain employees of the Combined Systems participate in a pension plan sponsored by the Parent. The Combined Systems allocable share of the pension expense amounted to $57 for the nine months ended June 30, 1999. As a result of the Charter Sale, the Combined Systems' employees became fully vested with respect to their plan benefits. No additional benefits will accrue to such employees in the future. In addition, the Parent is responsible for the allocable pension liability and will continue to administer the plan on behalf of the Combined Systems' employees.

5. COMMITMENTS AND CONTINGENCIES

Leases

The Combined Systems lease certain facilities and equipment under noncancelable operating leases. Rent expense incurred for the nine months ended June 30, 1999, was $249.

The Company also rents utility poles in its operations. Generally, pole rentals are cancelable on short notice, but the Company anticipates that such rentals will recur. Rent expense incurred for pole rental attachments for the nine months ended June 30, 1999, was $479.

Litigation

The Combined Systems are a party to lawsuits that arise in the ordinary course of conducting its business. In the opinion of management, after consulting with legal counsel, the outcome of these lawsuits will not have a material adverse effect on the Combined Systems' combined financial position or results of operations.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable television systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Combined Systems cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. The Combined Systems may be required to refund additional amounts in the future.

The Combined Systems believe that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Combined Systems are unable to justify its basic rates. The Combined Systems are unable to estimate at this time the amount of refunds, if any, that may be payable by the Combined Systems in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Combined Systems do not believe that the amount of any such refunds would have a material adverse effect on the financial position or results of operations of the Combined Systems.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulated rates on the cable programming service tier (CPST). The FCC has taken the position that it will still adjudicate pending CPST complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date, March 31, 1999. The Combined Systems do not believe any adjudications regarding their pre-sunset complaints will have a material adverse effect on the Combined Systems' financial position or results of operations.

A number of states subject cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Helicon Partners I, L.P.:

We have audited the accompanying combined statements of operations, changes in net assets and cash flows of Helicon Partners I, L.P. and affiliates for the seven months ended July 30, 1999. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the results of operations of Helicon Partners I, L.P. and affiliates and their cash flows for the seven months ended July 30, 1999 in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
March 6, 2000

HELICON PARTNERS I, L.P. AND AFFILIATES
COMBINED STATEMENT OF OPERATIONS

	SEVEN MONTHS ENDED JULY 30, 1999
REVENUES	$ 49,564,581
OPERATING EXPENSES:	
Operating expenses	16,358,995
General and administrative expenses	13,877,357
Marketing expenses	1,327,669
Depreciation and amortization	16,616,529
Management fee charged by affiliate	2,511,416
Total operating expenses	50,691,966
Operating income	(1,127,385)
INTEREST INCOME (EXPENSE):	
Interest expense	(20,681,592)
Interest income	124,486
NET LOSS	$(21,684,491)

The accompanying notes are an integral part of these combined statements.

HELICON PARTNERS I, L.P. AND AFFILIATES
COMBINED STATEMENT OF CHANGES IN PARTNERS' DEFICIT

	PREFERRED LIMITED PARTNERS	GENERAL PARTNER	CLASS A LIMITED PARTNERS	CLASS B LIMITED PARTNER	CAPITAL CONTRIBUTION RECEIVABLE	PARTNERS' DEFICIT
Balance at December 31, 1998	$8,567,467	$ (989,962)	$(134,807,570)	--	$(1,000)	$(127,231,065)
Distribution of additional preferred partnership interests	609,621	(6,097)	(603,524)	--	--	--
Accretion of redeemable partnership interests	--	(269,961)	(26,726,132)	--	--	(26,996,093)
Capital contribution	--	--	--	3,628,250	--	3,628,250
Net loss	--	(216,845)	(21,467,646)	--	--	(21,684,491)
Balance at July 30, 1999	$9,177,088	$(1,482,865)	$(183,604,872)	$3,628,250	$(1,000)	$(172,283,399)

The accompanying notes are an integral part of these combined statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

COMBINED STATEMENT OF CASH FLOWS

	SEVEN MONTHS ENDED JULY 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$(21,684,491)
Adjustments to reconcile net loss to net cash provided by operating activities-	
Depreciation and amortization	16,616,529
Amortization of debt discount and deferred financing costs	2,801,895
Gain on sale of equipment	(22,536)
Interest on 12% subordinated notes paid through the issuance of additional notes	2,706,044
Changes in operating assets and liabilities-	
Receivables from subscribers	(1,544,469)
Prepaid expenses and other assets	2,773,825
Accounts payable and accrued expenses	(2,937,602)
Subscriptions received in advance	803,151
Accrued interest	2,557,212
Net cash provided by operating activities	2,069,558
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(6,332,987)
Proceeds from sale of equipment	32,288
Cash paid for net assets of cable television systems, net of cash acquired	(6,217,143)
Increase in intangible assets	(487,595)
Net cash used in investing activities	(13,005,437)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from bank loans	13,000,000
Repayments of bank loans and other notes	(483,178)
Capital contribution	3,628,250
Advances to affiliates, net	(247,043)
Payment of financing costs	(240,000)
Net cash provided by financing activities	15,658,029
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,722,150
CASH AND CASH EQUIVALENTS, beginning of period	5,130,561
CASH AND CASH EQUIVALENTS, end of period	$ 9,852,711
CASH PAID FOR INTEREST	$ 12,582,725
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT THROUGH THE ISSUANCE OF OTHER NOTES PAYABLE	$ 389,223

The accompanying notes are an integral part of these combined statements.

HELICON PARTNERS I, L.P. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

1. ORGANIZATION AND OPERATIONS

Helicon Partners I, L.P. ("the Partnership") was organized as a limited partnership under the laws of the State of Delaware. The Partnership owns all of the limited partnership interests in THGLP, representing a 99% ownership, and Baum Investment, Inc. ("Baum"), the general partner of THGLP, owns the 1% general partnership interest in THGLP. The Partnership also owns a 99% interest and THGLP owns a 1% interest in HPI Acquisition Co., LLC ("HPIAC"). The Partnership also owns an 89% limited partnership interest and Baum a 1% general partnership interest in Helicon OnLine, L.P. ("HOL"). The Partnership, THGLP, HPIAC and HOL are referred to collectively herein as the Company.

The Company operates in one business segment offering cable television services in the states of Pennsylvania, West Virginia, North Carolina, South Carolina, Louisiana, Vermont, New Hampshire, Georgia and Tennessee. The Company also offers to customers advanced services, such as paging and private data network systems, including dial up access and a broad range of Internet access services in Pennsylvania and Vermont, dedicated high speed access, high speed cable modem access, world wide web design, and hosting services.

On July 30, 1999, Charter-Helicon, LLC ("Charter-Helicon"), acquired a 1% interest in THGLP previously owned by Baum and became the General Partner of THGLP. Concurrently, Charter-Helicon and Charter Communications, LLC ("CC-LLC"), parent of Charter-Helicon, acquired all of the partnership interests of the Partnership. These transactions are collectively referred to as the "Helicon/Charter Deal" herein. In connection with the Helicon/Charter Deal, $228,985,000 of cash was paid to the equity holders; Baum retained a $25,000,000 limited liability company membership interest in Charter-Helicon; debt of $197,447,000 was repaid; debt of $115,000,000 was assumed; and other costs totaling $4,285,000 were incurred by CC-LLC.

The post-closing process associated with the Helicon/Charter Deal has not been finished. Accordingly, the accompanying combined financial statements may not give effect to all adjustments arising from the change of ownership of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The accompanying financial statements include the accounts of the Partnership, THGLP, HPIAC and HOL, which have been combined because of common ownership and control. They also reflect the accounts of THGLP's subsidiary, Helicon Capital Corp., which has nominal assets and no operations since its incorporation. All intercompany accounts and transactions have been eliminated in combination.

Partnership Profits, Losses and Distributions

Under the terms of the partnership agreements of the Partnership and THGLP, profits, losses and distributions will be made to the general and Class A Limited Partners pro-rata based on their respective partnership interest. Holders of Preferred Limited Partnership Interests are entitled to an aggregate preference on liquidation of $6,250,000 plus cumulative in-kind distributions of additional Preferred Limited Partnership interests at an annual rate of 12%.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Revenue Recognition

Revenue is recognized as services are provided to subscribers. Subscription revenues billed in advance for services are deferred and recorded as income in the period in which services are rendered.

Property, Plant and Equipment

Property, plant and equipment are carried at cost and are depreciated using the straight-line method over the estimated useful lives of the respective assets.

Intangible Assets and Deferred Costs

Intangible assets and deferred costs are carried at cost and are amortized using the straight-line method over the estimated useful lives of the respective assets. When changes in events or circumstances warrant, the Company reviews the amortization periods of their intangible assets and deferred costs. The Company evaluates whether there has been a permanent impairment in the value of these assets by considering such factors including the projected undiscounted cash flows, current market conditions and changes in the cable television industry that would impact the recoverability of such assets.

Income Taxes

No provision for Federal or state income taxes has been made in the accompanying combined financial statements since any liability for such income taxes is that of the partners and not of the Company.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ACQUISITIONS

On January 7, 1999, THGLP acquired cable television systems serving subscribers in the North Carolina counties of Carter, Johnson and Unicol. The aggregate purchase price was $5,228,097 and was allocated to the net assets acquired, which included property, plant and equipment and intangible assets, based on their estimated fair values.

On March 1, 1999, HPIAC acquired a cable television system serving subscribers in the communities of Abbeville, Donalds and Due West, South Carolina. The aggregate purchase price was $723,356 and was allocated to the net assets acquired, which included property, plant and equipment, and intangible assets, based on their estimated fair value.

The operating results relating to the above acquisitions are included in the accompanying combined financial statements from the acquisition dates forward. Pro forma operating results for 1999 as though the acquisitions had occurred on January 1, 1999, would not be materially different than historical operating results.

4. TRANSACTIONS WITH AFFILIATES

Amounts due from/to affiliates result from management fees, expense allocations and temporary non-interest bearing loans. The affiliates are related to the Company through common ownership. Effective upon the execution of the Charter/Helicon Deal, Charter Investment, Inc. is the manager of the Company's operations.

The Partnership was managed by Helicon Corp., an affiliated management company. During the seven months ended July 30, 1999, the Partnership was charged a management fee of $2,511,416. Management fees are calculated based on the gross revenues of the systems.

5. SENIOR SECURED NOTES

THGLP and HCC (the "Issuers"), through a private placement offering, issued $115,000,000 aggregate principal amount of 11% Senior Secured Notes due 2003 (the "Senior Secured Notes"), secured by substantially all the assets of THGLP. Interest is payable on a semi-annual basis in arrears on November 1 and May 1. The discount on the Senior Secured Notes is being amortized over the term of the Senior Secured Notes so as to result in an effective interest rate of 11% per annum.

6. LOANS PAYABLE TO BANKS

On January 5, 1999, THGLP entered into a $12,000,000 Senior Subordinated Loan Agreement with Paribas Capital Funding, LLC (the "1999 Credit Facility"). Initial borrowings of $7,000,000 under the 1999 Credit Facility financed the acquisition of certain cable television systems in North Carolina. On February 19, 1999, the Company borrowed the remaining $5,000,000 available under the 1999 Credit Facility. Interest on the 1999 Credit Facility is payable at 11.5% per annum. On July 30, 1999, the amounts outstanding were repaid and the 1999 Credit Facility was terminated in connection with the Helicon/Charter Deal.

7. REDEEMABLE PARTNERSHIP INTERESTS

In April 1996, the Partnership sold to unrelated investors, $34,000,000 aggregate principal amount of 12% Subordinated Notes (the "Subordinated Notes") and warrants (the "Warrants") to purchase 2,419.1 units of Class B Limited Partnership Interests (the "Units").

The Subordinated Notes are subordinated to the senior indebtedness of the Partnership and are due April 1, 2004. Interest is payable semi-annually on each October 1 and April 1 in cash or through the issuance of additional Subordinated Notes, at the option of the Partnership. In the past, the Partnership has elected to satisfy interest due through the issuance of additional Subordinated Notes. The Partnership issued $2,706,044 of additional Subordinated Notes to pay interest due in April 1999.

Holders of the Warrants had the right to acquire the Units at any time for a price of $1,500 per Unit. The Partnership estimated the Net Equity Value of the Warrants to be approximately $43,250,000 at December 31, 1998. The Net Equity Value, pursuant to the terms of the agreement, is the estimated amount of cash that would be available for distribution to the Partnership interests upon a sale of all the assets of the Partnership and its subsequent dissolution and liquidation. Such estimate as of December 31, 1998 reflects the amount that the holders of the Warrants have agreed to accept for their interests assuming a proposed sale of all of the interests of the Partnership is consummated. The increase in the Net Equity Value over the original carrying value of the Warrants is being accreted evenly over the period beginning with the date of the increase through September 2001. Such accretion is being reflected in the accompanying financial statements as an increase in the carrying value of the Warrants and the corresponding reduction in the carrying value of the capital accounts of the General and Class A Limited Partners.

Immediately prior to the closing of the Helicon/Charter Deal. Baum contributed $3,628, 250 to exercise the Warrants and received 2,419.1 Units. This transaction triggered the acceleration of the accretion of the Units to their estimated Net Equity Value. Upon the close of the Charter/Helicon Deal, the holders received $43,250,000 in exchange for the Units.

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases telephone and utility poles on an annual basis. The leases are self-renewing. Pole rental expenses for the seven months ended July 30, 1999 was $687.

The Company utilizes certain office space under operating lease agreements, which expire at various dates through August 2013 and contain renewal options. Office rent expense was $192 for the seven months ended July 30, 1999.

Litigation

The Company is a party to lawsuits that arise in the ordinary course of conducting its business. In the opinion of management, after consulting with legal counsel, the outcome of these lawsuits will not have a material adverse effect on the Company's combined financial position or results of operations.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable television systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Company cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. The Company may be required to refund additional amounts in the future.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Company is unable to justify its basic rates. The Company is unable to estimate at this time the amount of refunds, if any, that may be payable by the Company in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Company does not believe that the amount of any such refunds would have a material adverse effect on the financial position or results of operations of the Company.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulated rates on the cable programming service tier (CPST). The FCC has taken the position that it will still adjudicate pending CPST complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date, March 31, 1999. The Company does not believe any adjudications regarding their pre-sunset complaints will have a material adverse effect on the Company's financial position or results of operations.

A number of states subject cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Rifkin Cable Income Partners L.P.

In our opinion, the accompanying balance sheet and the related statements of operations, of equity and of cash flows present fairly, in all material respects, the financial position of Rifkin Cable Income Partners L.P. (the "Partnership") at September 13, 1999, and the results of its operations and its cash flows for the period January 1, 1999 to September 13, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Partnership's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

On September 13, 1999, all of the Partnership's interest were sold to Charter Communications, LLC. These financial statements represent the Partnership just prior to that transaction and do not reflect any adjustments related thereto.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado
February 15, 2000

RIFKIN CABLE INCOME PARTNERS, L.P.

BALANCE SHEET

	SEPTEMBER 13, 1999
ASSETS	
Cash	$ 145,036
Customer accounts receivable, net of allowance for doubtful accounts of $2,349	109,874
Accounts receivable, related party	7,328
Accounts receivable, interpartnership	13,638,312
Other receivables	96,318
Prepaid expenses and deposits	20,920
Property, plant and equipment, at cost:	
Transmission and distribution systems and related equipment	11,038,202
Vehicles, office furniture and fixtures	426,977
Land, buildings and leasehold improvements	125,000
Construction in process and spare parts inventory	66,122
	11,656,301
Less accumulated depreciation	(831,684)
Property, plant and equipment, net	10,824,617
Franchise costs, net of accumulated amortization of $792,708	12,706,195
Total assets	$37,548,600
LIABILITIES AND EQUITY	
Liabilities:	
Accrued liabilities	$ 161,084
Customer deposits and prepayments	321,419
Interpartnership debt	15,621,000
Total liabilities	16,103,503
Commitments and contingencies (Notes 4 and 7)	
Divisional equity	21,445,097
Total equity	21,445,097
Total liabilities and equity	$37,548,600

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

RIFKIN CABLE INCOME PARTNERS, L.P.

STATEMENT OF OPERATIONS

	PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999
REVENUE	
Service	$3,533,718
Installation and other	273,757
Total revenue	3,807,475
COSTS AND EXPENSES	
Operating expense	455,528
Programming expense	862,317
Selling, general and administrative expense	472,088
Depreciation	836,050
Amortization	792,708
Management fees	190,374
Loss on disposal of assets	52,885
Total costs and expenses	3,661,950
Operating income	145,525
Interest expense	536,877
Net loss	$ (391,352)

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

RIFKIN CABLE INCOME PARTNERS, L.P.

STATEMENT OF EQUITY

	PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999	
	DIVISIONAL EQUITY	TOTAL
Equity contribution	$21,836,449	$21,836,449
Net loss	(391,352)	(391,352)
Equity, September 13, 1999	$21,445,097	$21,445,097

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

RIFKIN CABLE INCOME PARTNERS, L.P.

STATEMENT OF CASH FLOWS

	PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (391,352)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	1,628,758
Loss on disposal of fixed assets	52,885
Increase in customer accounts receivable	(58,351)
Increase in accounts receivable, related party	(7,328)
Increase in accounts receivable, interpartnership	(13,638,312)
Decrease in other receivables	36,960
Decrease in prepaid expenses and deposits	49,755
Decrease in accrued liabilities	(235,521)
Increase in customer deposits and prepayments	195,207
Net cash used in operating activities	(12,367,299)
CASH FLOWS FROM INVESTING ACTIVITIES	
Initial cash acquisition cost, net of cash acquired	(21,771,547)
Additions to property, plant and equipment	(289,533)
Additions to franchise costs	(20,108)
Net proceeds from sale of assets	1,500
Net cash used in investing activities	(22,079,688)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	21,836,449
Proceeds from interpartnership debt	13,119,981
Payments on interpartnership debt	(364,407)
Net cash provided by financing activities	34,592,023
Increase in cash	145,036
Cash, beginning of period	--
Cash, end of period	$ 145,036
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	$ 536,877

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

RIFKIN CABLE INCOME PARTNERS, L.P.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Rifkin Cable Income Partners L.P. (the "Partnership") was originally formed in 1986 as a limited partnership under the laws of the State of Delaware. The Partnership owns, operates and develops cable television systems in Missouri and New Mexico.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP AND BASIS OF PRESENTATION

Effective December 31, 1998, Interlink Communications Partners, LLLP ("ICP") acquired all of the Partnership's limited partner interest, and agreed to purchase all of the Partnership's interest for $21.7 million. This transaction was accounted for as a purchase; as such, assets and liabilities were written up to their fair value, resulting in an increase to property, plant and equipment and franchise costs of $6.4 million and $11.7 million, respectively.

Effective April 1, 1999, ICP completed the purchase of the remaining general partner interest in the Partnership and the Partnership was merged into ICP and ceased to exist as a separate legal entity. The Partnership's financial statements subsequent to that date represent a divisional carve-out from ICP. These financial statements include all the direct costs of operating its business; however, certain assets, liabilities and costs not specifically related to the Partnership's activities were allocated and reflected in the financial position as of September 13, 1999, and the results of its operations and its cash flows for the period January 1, 1999 to September 13, 1999. Allocations from ICP include amounts for debt, interest expense and management expense. Both debt and interest expense were allocated pro rata based on the Partnership's percentage of subscribers to total ICP subscribers. Management expense was allocated in accordance with the management agreement (Note 2). In addition, receivables and payables to ICP are presented in the accompanying financial statements net as amounts due to/from interpartnership. Management believes these allocations were made on a reasonable basis. Nonetheless, the financial information included herein may not necessarily reflect what the financial position and results of operations of the Partnership would have been as a stand-alone entity.

ACQUISITION BY CHARTER COMMUNICATIONS HOLDINGS, LLC

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interest to Charter Communications Holdings, LLC ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sales Agreement with Charter for the sale of the individual partner's interest. The sales transaction closed on September 13, 1999. These financial statements represent the Partnership just prior to the transaction and do not reflect any related adjustments.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation were removed from the accounts and any gain or loss is recognized.

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment	1-15 years
Vehicles, office furniture and fixtures	1-5 years
Land, buildings and leasehold improvements	1-30 years

RIFKIN CABLE INCOME PARTNERS, L.P.

NOTES TO FINANCIAL STATEMENTS

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from 1 to 18 years. The carrying value is assessed for recoverability by management based on an analysis of undiscounted expected future cash flows. The Partnership's management believes that there has been no impairment thereof as of September 13, 1999.

INCOME TAXES

No provision for federal or state income taxes is necessary in the financial statements of the Partnership, because as a partnership, it is not subject to federal or state income tax as the tax effect of its activities accrues to the partners.

REVENUE RECOGNITION

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the period shown.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. MANAGEMENT AGREEMENT

The Partnership has a management agreement with R & A Management, LLC ("RML"). The management agreement provides that RML shall act as manager of the Partnership's CATV systems, and shall be entitled to annual compensation of 5% of the Partnership's CATV revenues, net of certain CATV programming costs. The result of this transaction included the conveyance of the Rifkin management agreement ("Rifkin Agreement") to RML ("RML Agreement"). Expenses incurred pursuant to this agreement and the RML Agreement are disclosed in total on the Statement of Operations.

3. DEBT

The Partnership has an interpartnership debt with ICP. Borrowings, including both principal and interest, at September 13, 1999 were $15,621,000 and had an effective interest rate of 8.68%.

ICP has a term loan and revolving loan agreement with a bank. The amount of the term loan is $150,000,000, and requires varying quarterly payments plus interest commencing September 30, 2001 and continuing through March 31, 2007. On February 1, 1999, the term loan agreement was amended to increase the loan amount to $250,000,000. On July 16, 1999, the term loan agreement was amended again to increase the loan amount to $290,000,000. The interest rate on the term loan is generally the bank's prime rate plus 0% to 1.50%. The weighted average effective rate at September 13, 1999 was 8.74%.

The revolving loan agreement provided for borrowing up to $100,000,000 at the Company's discretion. At September 13, 1999, $91,000,000 had been drawn against the $100,000,000 commitment. The revolving credit agreement expires on March 31, 2007. The revolver bears an interest rate at the bank's prime rate plus 0% to

RIFKIN CABLE INCOME PARTNERS, L.P.

NOTES TO FINANCIAL STATEMENTS

1.50% or LIBOR plus 1.25% to 2.75%. The specific rate is dependent upon the leverage ratio of ICP, which is recalculated quarterly. The weighted average effective interest rate at September 13, 1999 was 8.5%.

The term loan and revolving loan agreement are collateralized by substantially all assets of ICP and its consolidated entities, including the Partnership.

4. LEASE COMMITMENTS

The Partnership leases certain real and personal property under noncancelable operating leases. Future minimum lease payments under these arrangements at September 13, 1999, were as follows:

1999	$ 60,870
2000	30,825
2001	30,000
2002	8,750
	$130,445

Total rent expense for the period January 1, 1999 to September 13, 1999 was $60,870, including $38,239 relating to cancelable pole rental agreements.

5. RETIREMENT BENEFITS

The Partnership has a 401(k) plan for its employees that have been employed by the Partnership for at least one year. Employees of the Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1999 contribution of $10,000 (as set by the Internal Revenue Service). The Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Partnership contributions and earnings vest 20% per year of employment with the Partnership, becoming fully vested after five years. The Partnership's matching contributions for the period January 1, 1999 to September 13, 1999 were $3,850.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Partnership has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Partnership to estimate the fair values of financial instruments as disclosed herein:

Cash, customer accounts receivable, other receivables, accounts payable and accrued liabilities and customer deposits and prepayments: The carrying value amount approximates fair value because of the short period to maturity.

The interest rate on debt is adjusted at least quarterly; therefore, the carrying value of debt approximates its fair value.

7. LITIGATION

The Partnership could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Partnership will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Partnership's financial position or results of operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Rifkin Acquisition Partners, L.L.L.P.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, partners' capital and cash flows present fairly, in all material respects, the financial position of Rifkin Acquisition Partners, L.L.L.P. and its subsidiaries (the "Company") at September 13, 1999, and the results of their operations and their cash flows for the period from January 1, 1999 through September 13, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

As discussed in Note 1 to the financial statements, the Partnership has changed its method of accounting for start up costs in fiscal 1999.

On September 13, 1999, all of the Partnership's interest were sold to Charter Communications, LLC. These financial statements represent the Partnership just prior to that transaction and do not reflect any adjustments related thereto.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado
February 15, 2000

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED BALANCE SHEET

	SEPTEMBER 13, 1999
ASSETS	
Cash	$ 4,475,108
Customer accounts receivable, net of allowance for doubtful accounts of $292,183	1,258,522
Other receivables	3,384,472
Prepaid expenses and other	1,616,219
Property, plant and equipment, at cost:	
Cable television transmission and distribution system and related equipment	171,842,780
Land, buildings, vehicles and furniture and fixtures	8,946,860
	180,789,640
Less accumulated depreciation	(45,505,661)
Net property, plant and equipment	135,283,979
Franchise costs and other intangible assets, net of accumulated amortization of $80,047,118	164,685,102
Total assets	$310,703,402
LIABILITIES AND PARTNERS' CAPITAL	
Liabilities:	
Accounts payable and accrued liabilities	$ 21,110,015
Customer deposits and prepayments	1,514,732
Payables to affiliates	303,047
Interest payable	3,234,019
Deferred tax liability, net	5,967,000
Notes payable	236,075,000
Total liabilities	268,203,813
Commitments and contingencies (Notes 5 and 9)	
Redeemable partners' interests	16,128,800
Partners' capital (deficit):	
General partner	(2,951,394)
Limited partners	29,029,520
Preferred equity interest	292,663
Total partners' capital	26,370,789
Total liabilities and partners' capital	$310,703,402

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF OPERATIONS

	PERIOD FROM JANUARY 1, 1999 THROUGH SEPTEMBER 13, 1999
REVENUE	
Service	$ 62,252,012
Installation and other	6,577,154
Total revenue	68,829,166
COSTS AND EXPENSES	
Operating expense	10,060,135
Programming expense	15,312,179
Selling, general and administrative expense	17,566,230
Depreciation	11,760,429
Amortization	17,681,246
Management fees	2,406,596
Loss on disposal of assets	996,459
Total costs and expenses	75,783,274
Operating loss	(6,954,108)
Interest expense	16,591,877
Loss before income taxes	(23,545,985)
Income tax benefit	(1,975,000)
Loss before cumulative effect of accounting change	(21,570,985)
Cumulative effect of accounting change for organizational costs	(111,607)
Net loss	$(21,682,592)

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P
CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

	PREFERRED EQUITY INTEREST	GENERAL PARTNERS	LIMITED PARTNERS	TOTAL
Partners' capital (deficit), December 31, 1998	$ 422,758	$(1,991,018)	$ 55,570,041	$ 54,001,781
Accretion of redeemable partners' interest	--	(743,550)	(5,204,850)	(5,948,400)
Net loss	(130,095)	(216,826)	(21,335,671)	(21,682,592)
Partners' capital (deficit), September 13, 1999	$ 292,663	$(2,951,394)	$ 29,029,520	$ 26,370,789

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

CONSOLIDATED STATEMENT OF CASH FLOWS

	PERIOD FROM JANUARY 1, 1999 THROUGH SEPTEMBER 13, 1999
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$(21,682,592)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	29,441,675
Amortization of deferred loan costs	684,095
Loss on disposal of fixed assets	996,459
Deferred tax benefit	(1,975,000)
Changes in accounting for organizational costs	111,607
Decrease in customer accounts receivables	673,618
Decrease in other receivables	2,253,299
Decrease in prepaid expenses and other	782,309
Increase in accounts payable and accrued liabilities	9,425,421
Decrease in customer deposits and prepayments	(162,168)
Decrease in interest payable	(4,008,935)
Increase in payable to affiliates	303,047
Net cash provided by operating activities	16,842,835
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property, plant and equipment	(26,692,423)
Proceeds from purchase price adjustment for Tennessee trade	276,147
Net proceeds from the sale of other assets	223,657
Net cash used in investing activities	(26,192,619)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term bank debt	11,500,000
Net cash provided by financing activities	11,500,000
Net increase in cash	2,150,216
Cash, beginning of period	2,324,892
Cash, end of period	$ 4,475,108
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	$ 13,357,858

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

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

Rifkin Acquisition Partners, L.L.L.P. ("the Partnership") was formed pursuant to the laws of the State of Colorado. The Partnership and its subsidiaries are hereinafter referred to on a consolidated basis as the "Company." The Company owns, operates, and develops cable television systems in Georgia, Tennessee and Illinois. Rifkin Acquisition Management, L.P., an affiliate of R & A Management LLC (Note 4), is the general partner of the Partnership ("General Partner").

The Partnership operates under a limited liability limited partnership agreement (the "Partnership Agreement") which establishes contribution requirements, enumerates the rights and responsibilities of the partners and advisory committee, provides for allocations of income, losses and distributions and defines certain items relating thereto. The Partnership Agreement provides that net income or loss, certain defined capital events and cash distributions, all as defined in the Partnership Agreement, are generally allocated 99% to the limited partners and 1% to the General Partner.

ACQUISITION BY CHARTER COMMUNICATIONS, LLC

On February 12, 1999, the Company signed a letter of intent for the partners to sell all of their partnership interests to Charter Communications, LLC ("Charter"). On April 26, 1999, the Company signed a definitive Purchase and Sale Agreement with Charter for the sale of the individual partners' interest. The sales transaction closed on September 13, 1999. These statements represent the Company just prior to the transaction and do not reflect any adjustment related thereto.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the following entities:

Rifkin Acquisition Partners, L.L.L.P.	Cable Equities of Colorado ("CEC")
Cable Equities of Colorado, Ltd. Management Corp. ("CEM")	Cable Equities, Inc. ("CEI")
	Rifkin Acquisition Capital Corp. ("RACC")

All significant intercompany accounts and transactions have been eliminated.

REVENUE AND PROGRAMMING

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the period shown.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed, includes amounts for material, labor, overhead and interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Capitalized interest was not significant for the period shown.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	27-30years
Cable television transmission and distribution systems and related equipment	3-15years
Vehicles and furniture and fixtures	3-5years

Expenditures for maintenance and repairs are expensed as incurred.

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from one to twenty years. The carrying value of franchise costs is assessed for recoverability by management based on an analysis of undiscounted future expected cash flows from the underlying operations of the Company. Management believes that there has been no impairment thereof as of September 13, 1999.

OTHER INTANGIBLE ASSETS

Certain loan costs have been deferred and are amortized to interest expense utilizing the straight-line method over the remaining term of the related debt. Use of the straight-line method approximates the results of the application of the interest method. The net amounts remaining at September 13, 1999 were $5,481,111.

REDEEMABLE PARTNERS' INTERESTS

The Partnership Agreement provides that if a certain partner dies or becomes disabled, that partner (or his personal representative) shall have the option, exercisable by notice given to the partners at any time within 270 days after his death or disability (except that if that partner dies or becomes disabled prior to August 31, 2000, the option may not be exercised until August 31, 2000 and then by notice by that partner or his personal representative given to the partners within 270 days after August 31, 2000) to sell, and require the General Partner and certain trusts controlled by that partner to sell, and the Partnership to purchase, up to 50% of the partnership interests owned by any of such partners and certain current and former members of management of R&A Management LLC that requests to sell their interest, for a purchase price equal to the fair market value of those interests determined by appraisal in accordance with the Partnership Agreement. Accordingly, the current fair value of such partnership interests have been reclassified outside of partners' capital.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENT

Effective January 1, 1999, the Company adopted, the Accounting Standards Executive Committee's Statement of Position 98-5 ("SOP 98-5") Reporting on the Costs of Start-Up Activities, which requires the Company to expense all start up costs related to organizing a new business. During the first quarter of 1999, the Company wrote off the net book value of organization costs capitalized in prior years resulting in the recognition of a cumulative effect of accounting change of $111,607.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. INCOME TAXES

Although the Partnership is not a taxable entity, two corporations (the "Subsidiaries") are included in the consolidated financial statements. These subsidiaries are required to pay taxes on their taxable income, if any.

The following represents a reconciliation of pre-tax losses as reported in accordance with accounting principles generally accepted in the United States and the losses attributable to the partners and included in their individual income tax returns for the period from January 1, 1999 through September 13, 1999:

Pre-tax loss as reported, including cumulative effect of change in accounting principle	$ (23,657,592)
(Increase) decrease due to:	
Separately taxed book results of corporate subsidiaries	5,274,000
Effect of different depreciation and amortization methods for tax and book purposes	672,000
Other	(68,408)
Tax loss attributed to the partners	$ (17,780,000)

The Company accounts for income taxes under the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

As a result of a change in control in 1995, the book value of the Company's net assets was increased to reflect their fair market value. In connection with this revaluation, a deferred income tax liability in the amount of $22,801,000 was established to provide for future taxes payable on the revised valuation of the net assets. A deferred tax benefit of $1,975,000 was recognized for the period from January 1, 1999 through September 13, 1999, reducing the liability to $5,967,000.

Deferred tax asset (liability) was comprised of the following at September 13, 1999:

Deferred tax assets resulting from loss carryforwards	$ 13,006,000
Deferred tax liabilities resulting from depreciation and amortization	(18,973,000)
Net deferred tax liability	$ (5,967,000)

As of September 13, 1999, the Subsidiaries have net operating loss carryforwards ("NOLs") for income tax purposes of $34,589,000 substantially all of which are limited. The NOLs will expire at various times between the years 2000 and 2018. It is the opinion of management that the NOLs will be released from this limitation prior to their expiration dates and, as such, have not been limited in their calculation of deferred taxes. As the result of the sale of the Partnership's interest to Charter, a change in control, as defined in Section 382 of the Internal Revenue Code, has occurred which may limit Charter's ability to utilize these NOLs.

The benefit for taxes differs from the amount which would be computed by applying the statutory federal income tax rate of 35% to the Company's pre-tax loss before cumulative effect of change in accounting principle as a result of the following for the period January 1, 1999 through September 13, 1999:

Tax benefit computed at statutory rate	$(8,241,095)
Increase (decrease) due to:	
Tax benefit for non-corporate loss	6,395,195
Permanent differences between financial statement income and taxable income	(36,200)
State income tax	(139,800)
Other	46,900
Income tax benefit	$(1,975,000)

3. NOTES PAYABLE

Debt consisted of the following at September 13, 1999:

Senior Subordinated Notes	$125,000,000
Tranche A Term Loan	21,575,000
Tranche B Term Loan	40,000,000
Reducing Revolving Loan	46,500,000
Senior Subordinated Debt	3,000,000
	$236,075,000

The notes and loans are collateralized by substantially all of the assets of the Company.

On January 26, 1996, the Company and its wholly owned subsidiary, RACC (the "Issuers"), co-issued $125,000,000 of 11 1/8% Senior Subordinated Notes (the "Notes") to institutional investors. These notes were subsequently exchanged on June 18, 1996 for publicly registered notes with identical terms. Interest on the Notes is payable semi-annually on January 15 and July 15 of each year. The Notes, which mature on January 15, 2006, can be redeemed in whole or in part, at the Issuers' option, at any time on or after January 15, 2001, at redeemable prices contained in the Notes plus accrued interest. At September 13, 1999, all of the Notes were outstanding (see also Note 8).

The Company has a $25,000,000 Tranche A term loan with a financial institution. This loan requires quarterly payments of $1,875,000 plus interest commencing on March 31, 2000. Any unpaid balance is due March 31, 2003. The agreement requires what it defines as excess proceeds from the sale of a cable system to be used to retire Tranche A term debt. As a result of the Company selling its assets in the State of Michigan in a prior year, there was $3,425,000 in excess proceeds which were used to pay principal. The interest rate on the Tranche A term loan is either the bank's prime rate plus .25% to 1.75% or LIBOR plus 1.5% to 2.75%.

The specific rate is dependent upon the senior funded debt ratio which is recalculated quarterly. The weighted average effective interest rate at September 13, 1999 was 7.23%.

In addition, the Company has a $40,000,000 Tranche B term loan, which requires principal payments of $2,000,000 on March 31, 2002, $18,000,000 on March 31, 2003, and $20,000,000 on March 31, 2004. The Tranche B term loan bears an interest rate of 9.75% and is payable quarterly.

The Company also has a reducing revolving loan providing for borrowing up to $20,000,000 at the Company's discretion, subject to certain restrictions, and an additional $60,000,000 available to finance acquisitions subject to certain restrictions. The additional financing amount available at September 13, 1999 was $40,000,000. At September 13, 1999, the full $20,000,000 available had been borrowed, and $26,500,000 had been drawn against the $40,000,000 commitment. The amount available for borrowing will decrease annually during its term with changes over the three years following September 13, 1999 as follows: 1999 -- $2,500,000 reduction per quarter and 2000 through 2002 -- $3,625,000 reduction per quarter. Any unpaid balance is due on March 31, 2003. The revolving loan bears an interest rate of either the bank's prime rate plus .25% to 1.75% or LIBOR plus 1.5% to 2.75%. The specific rate is dependent upon the senior funded debt ratio which is recalculated quarterly. The weighted average effective interest rates at September 13, 1999 was 8.92%. The reducing revolving loan includes a commitment fee of 1/2% per annum on the unborrowed balance.

Certain mandatory prepayments may also be required on the Tranche A term loan, the Tranche B term loan, and the reducing revolving credit based on the Company's cash flow calculations, proceeds from the sale of a cable system or equity contributions. Optional prepayments are allowed, subject to certain restrictions. The related loan agreement contains covenants limiting additional indebtedness, dispositions of assets, investments in securities, distribution to partners, management fees and capital expenditures. In addition, the Company must maintain certain financial levels and ratios. At September 13, 1999, the Company was in compliance with these covenants.

The Company also has $3,000,000 of senior subordinated debt payable to a Rifkin Partner. The debt has a scheduled maturity, interest rate and interest payment schedule identical to that of the Notes, as discussed above.

Based on the outstanding debt as of September 13, 1999, the minimum aggregate maturities for the four years following 1999 are: $13,500,000 in 2000, $22,000,000 in 2001, $23,075,000 in 2002, $29,500,000 in 2003 and $20,000,000 in 2004.

Subsequent to September 13, 1999, $124.1 million of the $125 million in notes outstanding were purchased by Charter Communication and will be reflected as intercompany payable between Charter and RAP. The remaining $900,000 of outstanding notes were delisted and are no longer public.

4. RELATED PARTY TRANSACTIONS

The Company has a management agreement with R & A Management LLC ("RML"). The management agreement provides that RML shall manage the Company's CATV systems and shall be entitled to annual compensation of 3.5% of the Company's revenue. Expenses incurred pursuant to this agreement are disclosed in total in the Consolidated Statement of Operations.

Certain Partnership expenses were paid by Charter and are reflected as Payables to affiliates in the accompanying financial statements.

5. COMMITMENTS AND RENTAL EXPENSE

The Company leases certain real and personal property under noncancelable operating leases expiring through the year 2007. Future minimum lease payments under such noncancelable leases as of September 13, 1999 are:

2000	$ 339,320
2001	269,326
2002	252,042
2003	192,027
2004 and thereafter	393,479
	$1,446,194

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Total rental expense and the amount included therein which pertains to cancelable pole rental agreements were as follows for the period indicated:

PERIOD	TOTAL RENTAL EXPENSE	CANCELABLE POLE RENTAL
For the period January 1, 1999 through September 13, 1999...	$1,105,840	$767,270

6. COMPENSATION PLANS AND RETIREMENT PLANS

EQUITY INCENTIVE PLAN

The Company maintains an Equity Incentive Plan (the "Plan") in which certain Rifkin executive officers and key employees, and certain key employees of the Company are eligible to participate. Plan participants in the aggregate, have the right to receive (i) cash payments of up to 2.0% of the aggregate value of all partnership interests of the Company (the "Maximum Incentive Percentage"), based upon the achievement of certain annual Operating Cash Flow (as defined in the Plan) targets for the Company for each of the calendar years 1996 through 2000, and (ii) an additional cash payment equal to up to 0.5% of the aggregate value of all partnership interests of the Company (the "Additional Incentive Percentage"), based upon the achievement of certain cumulative Operating Cash Flow targets for the Company for the five-year period ended December 31, 2000. Subject to the achievement of such annual targets and the satisfaction of certain other criteria based on the Company's operating performance, up to 20% of the Maximum Incentive Percentage will vest in each such year; provided, that in certain events vesting may accelerate. Payments under the Plan are subject to certain restrictive covenants contained in the Notes.

No amounts are payable under the Plan except upon (i) the sale of substantially all of the assets or partnership interests of the Company or (ii) termination of a Plan participant's employment with Rifkin or the Company, as applicable, due to (a) the decision of the Advisory Committee to terminate such participant's employment due to disability, (b) the retirement of such participant with the Advisory Committee's approval or (c) the death of such Participant. The value of amounts payable pursuant to clause (i) above will be based upon the aggregate net proceeds received by the holders of all of the partnership interests in the Company, as determined by the Advisory Committee, and the amounts payable pursuant to clause (ii) above will be based upon the Enterprise Value determined at the time of such payment. For purposes of the Plan, Enterprise Value generally is defined as Operating Cash Flow for the immediately preceding calendar year times a specified multiple and adjusted based on the Company's working capital.

The amount expensed for the period January 1, 1999 through September 13, 1999 relating to this plan was $7,440,964. The incentive accrual is recorded in accounts payable and accrued liabilities in the accompanying financial statements.

RETIREMENT BENEFITS

The Company has a 401(k) plan for employees that have been employed by the Company for at least one year. Employees of the Company can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1999 contribution of $10,000 (as set by the Internal Revenue Service). The Company matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Company contributions and earnings vest 20% per year of employment with the Company, becoming fully vested after five years. The Company's matching contribution for the period from January 1, 1999 through September 13, 1999 was $61,178.

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Company to estimate the fair values of financial instruments as disclosed herein:

Cash, customer accounts receivable, other receivables, accounts payable and accrued liabilities and customer deposits and prepayments: The carrying value amount approximates fair value because of the short period to maturity.

Debt: The fair value of bank debt is estimated based on interest rates for the same or similar debt offered to the Company having the same or similar remaining maturities and collateral requirements. The fair value of public Senior Subordinated Notes is based on the market quoted trading value. The fair value of the Company's debt is estimated at $247,637,500 and is carried on the balance sheet at $236,075,000.

8. SUMMARIZED FINANCIAL INFORMATION

CEM, CEI and CEC (collectively, the "Guarantors") are all wholly owned subsidiaries of the Company and, together with RACC, constitute all of the Partnership's direct and indirect subsidiaries. Each of the Guarantors provides a full, unconditional, joint and several guaranty of the obligations under the Notes discussed in Note 6. Separate financial statements of the Guarantors are not presented because management has determined that they would not be material to investors.

The following present summarized financial information of the Guarantors on a combined basis as of September 13, 1999 and for the period January 1, 1999 through September 13, 1999.

BALANCE SHEET

	SEPTEMBER 13, 1999
Cash	$ 569,544
Accounts and other receivables, net	2,907,837
Prepaid expenses	620,284
Property, plant and equipment, net	52,383,861
Franchise costs and other intangible assets, net	51,397,528
Accounts payable and accrued liabilities	30,186,658
Other liabilities	669,223
Deferred taxes payable	5,967,000
Notes payable	140,846,262
Equity (deficit)	(69,790,089)

RIFKIN ACQUISITION PARTNERS, L.L.L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF OPERATIONS

	PERIOD FROM JANUARY 1, 1999 THROUGH SEPTEMBER 13, 1999
Total revenue	$24,183,281
Total costs and expenses	23,313,494
Interest expense	9,920,062
Income tax benefit	(1,975,000)
Net loss	$(7,075,275)

9. LITIGATION

The Company could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Company will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Company's financial position or results of operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Indiana Cable Associates, Ltd.

In our opinion, the accompanying balance sheet and the related statements of operations, of equity and of cash flows present fairly, in all material respects, the financial position of Rifkin Cable Income Partners L.P. (the "Partnership") at September 13, 1999, and the results of its operations and its cash flows for the period January 1, 1999 to September 13, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Partnership's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

On September 13, 1999, all of the Partnership's interest were sold to Charter Communications, LLC. These financial statements represent the Partnership just prior to that transaction and do not reflect any adjustments related thereto.

/S/ PRICEWATERHOUSECOOPERS LLP

DENVER, COLORADO
FEBRUARY 15, 2000

INDIANA CABLE ASSOCIATES, LTD.

BALANCE SHEET

	SEPTEMBER 13, 1999
ASSETS	
Cash	$ 166,550
Customer accounts receivable, less allowance for doubtful accounts of $6,523	211,069
Accounts receivable, interpartnership	13,814,907
Other receivables	436,723
Prepaid expenses and deposits	50,196
Property, plant and equipment, at cost:	
Transmission and distribution systems and related equipment	10,025,106
Buildings and leasehold improvements	55,480
Vehicles, office furniture and fixtures	493,607
Spare parts and construction inventory	101,334
	10,675,527
Less accumulated depreciation	(838,673)
Property, plant and equipment, net	9,836,854
Franchise costs, net of accumulated amortization of $2,910,123	18,944,392
Total assets	$43,460,691
LIABILITIES AND EQUITY	
Liabilities:	
Accrued liabilities	$ 263,342
Customer deposits and prepayments	314,413
Accounts payable, related party	20,514
Interpartnership debt	24,003,000
Total liabilities	24,601,269
Commitments and contingencies (Notes 4 and 8)	
Divisional equity	18,859,422
Total equity	18,859,422
Total liabilities and equity	$43,460,691

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

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF OPERATIONS

	JANUARY 1, 1999 TO SEPTEMBER 13, 1999
REVENUE	
Service	$ 5,267,890
Installation and other	765,902
Total revenue	6,033,792
COSTS AND EXPENSES	
Operating expense	631,956
Programming expense	1,268,904
Selling, general and administrative expense	1,143,407
Depreciation	1,009,515
Amortization	2,910,123
Management fees	301,890
Loss on disposal of assets	2,481,838
Total costs and expenses	9,747,633
Operating loss	(3,713,841)
Interest expense	621,956
Net loss	$(4,335,797)

The accompany notes are an integral part of these financial statements.

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF EQUITY

	JANUARY 1, 1999 TO SEPTEMBER 13, 1999	
	DIVISIONAL EQUITY	TOTAL
Equity contribution	$23,195,219	$23,195,219
Net loss	(4,335,797)	(4,335,797)
Equity, September 13, 1999	$18,859,422	$18,859,422

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

INDIANA CABLE ASSOCIATES, LTD.

STATEMENT OF CASH FLOWS

	JANUARY 1, 1999 TO SEPTEMBER 13, 1999
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (4,335,797)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	3,919,638
Loss on disposal of assets	2,481,838
Increase in customer accounts receivable	(125,274)
Increase in accounts receivable, interpartnership	(13,814,907)
Increase in other receivables	(141,700)
Decrease in prepaid expenses and deposits	102,379
Increase in accrued liabilities	(634,431)
Increase in customer deposits and prepayments	266,955
Increase in accounts payable, related party	20,514
Net cash used in operating activities	(12,260,785)
CASH FLOWS FROM INVESTING ACTIVITIES	
Initial cash acquisition cost, net of cash acquired	(23,086,600)
Purchases of property, plant and equipment	(2,054,791)
Proceeds from sale of assets	2,734
Additions to franchise costs	(25,597)
Net cash used in investing activities	(25,164,254)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	23,195,219
Proceeds from interpartnership debt	14,807,682
Payments on interpartnership debt	(411,312)
Net cash provided by financing activities	37,591,589
Increase in cash	166,550
Cash, beginning of period	--
Cash, end of period	$ 166,550
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	$ 621,956

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

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Indiana Cable Associates, Ltd. (the "Partnership"), a Colorado limited partnership, was originally organized in March 1987 for the purpose of acquiring and operating cable television systems and related operations in Indiana and Illinois.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP AND BASIS OF PRESENTATION

Effective December 31, 1998, Interlink Communications Partners, LLLP ("ICP") acquired all of the Partnership's limited partner interest, and agreed to purchase all of the general Partners' interest for $23.1 million. This transaction was accounted for as a purchase; as such, assets and liabilities were written up to their fair value, resulting in an increase to property, plant and equipment and franchise costs of $7.0 million and $16.8 million, respectively.

Effective April 1, 1999, ICP completed the purchase of the remaining general partner interest in the Partnership and the Partnership was merged into ICP and ceased to exist as a separate legal entity. The Partnership's financial statements subsequent to that date represent a divisional carve-out from ICP.

These financial statements include all the direct costs of operating its business; however, certain assets, liabilities and costs not specifically related to the Partnership's activities were allocated and reflected in the financial position as of September 13, 1999, and the results of its operations and its cash flows for the period January 1, 1999 to September 13, 1999. Allocations from ICP include amounts for debt, interest expense and management expense. Both debt and interest expense were allocated pro rata based on the Partnership's percentage of subscribers to total ICP subscribers. Management expense was allocated in accordance with the management agreement (Note 2). In addition, receivables and payables to ICP are presented in the accompanying financial statements net as amounts due to/from interpartnership. Management believes these allocations were made on a reasonable basis. Nonetheless, the financial information included herein may not necessarily reflect what the financial position and results of operations of the Partnership would have been as a stand-alone entity.

ACQUISITION BY CHARTER COMMUNICATIONS HOLDINGS, LLC

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interest to Charter Communications Holdings, LLC ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sales Agreement with Charter for the sale of the individual partner's interest. The sales transaction closed on September 13, 1999. These financial statements represent the Partnership just prior to the transaction and do not reflect any related adjustments.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed, include amounts for material, labor, overhead and capitalized interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment	1-15 years
Buildings and leasehold improvements	5-27 years
Vehicles, office furniture and fixtures	2-5 years

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from 2 to 10 years. The carrying value is assessed for recoverability by management based on an analysis of undiscounted expected future cash flows. The Partnership's management believes that there has been no impairment thereof as of September 13, 1999.

INCOME TAXES

No provision for federal or state income taxes is necessary in the financial statements of the Partnership, because as a partnership, it is not subject to federal or state income tax as the tax effect of its activities accrues to the partners.

REVENUE RECOGNITION

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the period shown.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. MANAGEMENT AGREEMENT

The Partnership has a management agreement with R & A Management, LLC ("RML"). The management agreement provides that RML shall manage the Partnership and shall receive annual compensation equal to 5% of gross revenues and an additional 5% if a defined cash flow level is met. The result of this transaction included the conveyance of the Rifkin management agreement (the "Rifkin Agreement") to RML (the "RML Agreement"). Expenses incurred pursuant to this agreement are disclosed in the Consolidated Statement of Operations.

3. DEBT

The Partnership has interpartnership debt with ICP. Borrowings, including both principal and interest, at September 13, 1999 were $24,003,000 and had an effective interest rate of 8.68%.

ICP has a term loan and revolving loan agreement with a bank. The amount of the term loan is $150,000,000, and requires varying quarterly payments plus interest commencing September 30, 2001 and continuing through March 31, 2007. On February 1, 1999, the term loan agreement was amended to increase the loan amount to $250,000,000. On July 16, 1999, the term loan agreement was amended again to increase the loan amount to $290,000,000. The interest rate on the term loan is generally the bank's prime rate plus 0% to 1.50%. The weighted average effective rate at September 13, 1999 was 8.74%.

The revolving loan agreement provided for borrowing up to $100,000,000 at the Company's discretion. At September 13, 1999, $91,000,000 had been drawn against the $100,000,000 commitment. The revolving credit agreement expires on March 31, 2007. The revolver bears an interest rate at the bank's prime rate plus 0% to 1.50% or LIBOR plus 1.25% to 2.75%. The specific rate is dependent upon the leverage ratio of ICP, which is recalculated quarterly. The weighted average effective interest rate at September 13, 1999 was 8.5%.

The term loan and revolving loan agreement are collateralized by substantially all assets of ICP and its consolidated entities, including the Partnership.

4. LEASE COMMITMENTS

The Partnership leases certain real and personal property under noncancelable operating leases. Future minimum lease payments under these arrangements at September 13, 1999, were as follows:

1999	$ 77,802
2000	57,386
2001	45,749
2002	43,500
2003	43,500
Thereafter	40,875
	$308,812

Total rent expense for the period January 1, 1999 to September 13, 1999 was $77,802, including $43,253 relating to cancelable pole rental agreements.

5. RETIREMENT BENEFITS

The Partnership has a 401(k) plan for its employees that have been employed by the Partnership for at least one year. Employees of the Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1999 contribution of $10,000 (as set by the Internal Revenue Service). The Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Partnership contributions and earnings vest 20% per year of employment with the Partnership, becoming fully vested after five years. The Partnership's matching contributions for the period January 1, 1999 to September 13, 1999 were $10,524.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Partnership has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Partnership to estimate the fair values of financial instruments as disclosed herein:

Cash, customer accounts receivable, other receivables, accounts payable and accrued liabilities and customer deposits and prepayments: The carrying value amount approximates fair value because of the short period to maturity.

The interest rate on debt is adjusted at least quarterly; therefore, the carrying value of debt approximates its fair value.

7. RELATED PARTY TRANSACTIONS

Certain Partnership expenses were paid by Charter and are reflected as Payables to affiliates in the accompanying financial statements.

INDIANA CABLE ASSOCIATES, LTD.

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

8. LITIGATION

The Partnership could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Partnership will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Partnership's financial position or results of operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
R/N South Florida Cable Management Limited Partnership

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations, of equity and of cash flows present fairly, in all material respects, the financial position of R/N South Florida Cable Management Limited Partnership and its subsidiaries (the "Partnership") at September 13, 1999, and the results of their operations and their cash flows for the period January 1, 1999 to September 13, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Partnership's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

On September 13, 1999, all of the Partnership's interest were sold to Charter Communications, LLC. These financial statements represent the Partnership just prior to that transaction and do not reflect any adjustments related thereto.

/s/ PRICEWATERHOUSECOOPERS LLP

Denver, Colorado
February 15, 2000

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEET

	AS OF SEPTEMBER 13, 1999
ASSETS	
Cash	$ 453,963
Customer accounts receivable, less allowance for doubtful accounts of $27,131	933,646
Accounts receivable, related party	394,142
Accounts receivable, interpartnership	30,273,104
Other receivables	780,723
Prepaid expenses and deposits	195,198
Property, plant and equipment, at cost:	
Transmission and distribution systems and related equipment	24,629,591
Vehicles, office furniture and equipment	1,131,040
Leasehold improvements	6,759
Construction in process and spare parts inventory	1,519,099
	27,286,489
Less accumulated depreciation	(1,935,932)
Property, plant and equipment, net	25,350,557
Franchise costs, less accumulated amortization of $17,527,564	65,160,673
Total assets	$123,542,006
LIABILITIES AND EQUITY	
Liabilities:	
Accounts payable and accrued liabilities	$ 2,074,095
Customer deposits and prepayments	1,209,481
Interpartnership debt	60,960,000
Total liabilities	64,243,576
Commitments and contingencies (Notes 4 and 7) Divisional equity	59,298,430
Total equity	59,298,430
Total liabilities and equity	$123,542,006

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

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF OPERATIONS

	FOR THE PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999
REVENUE	
Service	$ 14,790,346
Installation and other	2,725,293
Total revenue	17,515,639
COSTS AND EXPENSES	
Operating expense	2,958,925
Programming expense	3,957,126
Selling, general and administrative expense	4,532,320
Depreciation	1,997,656
Amortization	17,527,564
Management fees	700,626
Loss on disposal of assets	685,800
Total costs and expenses	32,360,017
Operating loss	(14,844,378)
Interest expense	760,517
Net loss	$(15,604,895)

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

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF EQUITY

	FOR THE PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999	
	DIVISIONAL EQUITY	TOTAL
Equity contribution	$ 74,903,325	$ 74,903,325
Net loss	(15,604,895)	(15,604,895)
Divisional equity, September 13, 1999	$ 59,298,430	$ 59,298,430

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

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE PERIOD JANUARY 1, 1999 TO SEPTEMBER 13, 1999
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$(15,604,895)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	19,525,221
Loss on disposal of assets	685,800
Increase in customer accounts receivable	(478,307)
Increase in accounts receivable, related party	(394,142)
Increase in accounts receivable, intercompany	(30,273,104)
Decrease in other receivables	910,870
Decrease in prepaid expenses and deposits	197,824
Decrease in accounts payable and accrued liabilities	(282,445)
Increase in customer prepayments and deposits	519,116
Net cash used in operating activities	(25,194,062)
CASH FLOWS FROM INVESTING ACTIVITIES	
Initial cash acquisition cost, net of cash acquired	(74,224,586)
Purchases of property, plant and equipment	(4,487,237)
Additions to franchise costs	(383,932)
Proceeds from the sale of assets	102,891
Net cash used in investing activities	(78,992,864)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	74,903,325
Proceeds from interpartnership debt	30,587,226
Payments on interpartnership debt	(849,662)
Net cash provided by financing activities	104,640,889
Increase in cash	453,963
Cash, beginning of period	--
Cash, end of period	$ 453,963
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	$ 760,517

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

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

PRINCIPLES OF CONSOLIDATION AND ORGANIZATION

The accompanying consolidated financial statements include the accounts of R/N South Florida Cable Management Limited Partnership (the "Partnership") and its substantially wholly owned subsidiary, Rifkin/ Narragansett South Florida CATV Limited Partnership (the "Operating Partnership"). Each partnership is a Florida Limited Partnership. The Partnership was originally organized in 1988 for the purpose of being the general partner to the Operating Partnership which is engaged in the installation, ownership, operation and management of cable television systems in Florida.

ACQUISITION BY INTERLINK COMMUNICATIONS PARTNERS, LLLP AND BASIS OF PRESENTATION

Effective December 31, 1998, Interlink Communications Partners, LLLP ("ICP") acquired all of the Partnership's limited partner interest, and agreed to purchase all of the Partnership's interest for $74.2 million. This transaction was accounted for as a purchase; as such, assets and liabilities were written up to their fair value, resulting in an increase to property, plant and equipment and franchise costs of $5.0 million $77.1 million, respectively.

Effective July 1, 1999, ICP completed the purchase of the remaining general partner interest in the Partnership and the Partnership was merged into ICP and ceased to exist as a separate legal entity. The Partnership's financial statements subsequent to that date represent a divisional carve-out from ICP. These financial statements include all the direct costs of operating its business; however, certain assets, liabilities and costs not specifically related to the Partnership's activities were allocated and reflected in the financial position as of September 13, 1999, and the results of its operations and its cash flows for the period January 1, 1999 to September 13, 1999. Allocations from ICP include amounts for debt, interest expense and management expense. Both debt and interest expense were allocated pro rata based on the Partnership's percentage of subscribers to total ICP subscribers. Management expense was allocated in accordance with the management agreement (Note 2). In addition, receivables and payables to ICP are presented in the accompanying financial statements net as amounts due to/from interpartnership. Management believes these allocations were made on a reasonable basis. Nonetheless, the financial information included herein may not necessarily reflect what the financial position and results of operations of the Partnership would have been as a stand-alone entity.

ACQUISITION BY CHARTER COMMUNICATIONS HOLDINGS, LLC

On February 12, 1999, ICP signed a letter of intent to sell all of ICP's partnership interest to Charter Communications Holdings, LLC ("Charter"). On April 26, 1999, ICP signed a definitive Purchase and Sales Agreement with Charter for the sale of the individual partner's interest. The sales transaction closed on September 13, 1999. These financial statements represent the Partnership just prior to the transaction and do not reflect any related adjustments.

PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment are recorded at cost, which in the case of assets constructed, include amounts for material, labor, overhead and capitalized interest, if applicable. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Depreciation expense is calculated using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment	1-15 years
Vehicles, office furniture and equipment	2-5 years
Leasehold improvements	5 years

FRANCHISE COSTS

Franchise costs are amortized using the straight-line method over the remaining lives of the franchises as of the date they were acquired, ranging from 2 to 10 years. The carrying value is assessed for recoverability by management based on an analysis of undiscounted expected future cash flows. The Partnership's management believes that there has been no impairment thereof as of September 13, 1999.

INCOME TAXES

No provision for federal or state income taxes is necessary in the financial statements of the Partnership, because as a partnership, it is not subject to federal or state income tax as the tax effect of its activities accrues to the partners.

REVENUE RECOGNITION

Customer fees are recorded as revenue in the period the service is provided. The cost to acquire the rights to the programming generally is recorded when the product is initially available to be viewed by the customer.

ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses are charged to income during the year in which they are incurred and were not significant for the period shown.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. MANAGEMENT AGREEMENT

The Partnership has a management agreement with R & A Management, LLC ("RML"). The management agreement provides that RML shall manage the Operating Partnership and shall be entitled to annual compensation of 4% of gross revenues. The result of this transaction included the conveyance of the Rifkin management agreement (the "Rifkin Agreement") to RML (the "RML Agreement"). Expenses incurred pursuant to this agreement are disclosed in the Consolidated Statement of Operations.

3. DEBT

The Partnership has an interpartnership debt with ICP. Borrowings, including both principal and interest, at September 13, 1999 were $60,960,000 and had an effective interest rate of 8.68%.

ICP has a term loan and revolving loan agreement with a bank. The amount of the term loan is $150,000,000, and requires varying quarterly payments plus interest commencing September 30, 2001 and continuing through March 31, 2007. On February 1, 1999, the term loan agreement was amended to increase the loan amount to $250,000,000. On July 16, 1999, the term loan agreement was amended again to increase the loan amount to $290,000,000. The interest rate on the term loan is generally the bank's prime rate plus 0% to 1.50%. The weighted average effective rate at September 13, 1999 was 8.74%.

The revolving loan agreement provided for borrowing up to $100,000,000 at the Company's discretion. At September 13, 1999, $91,000,000 had been drawn against the $100,000,000 commitment. The revolving credit agreement expires on March 31, 2007. The revolver bears an interest rate at the bank's prime rate plus 0% to 1.50% or LIBOR plus 1.25% to 2.75%. The specific rate is dependent upon the leverage ratio of ICP, which is recalculated quarterly. The weighted average effective interest rate at September 13, 1999 was 8.5%.

The term loan and revolving loan agreement are collateralized by substantially all assets of ICP and its consolidated entities, including the Partnership.

4. LEASE COMMITMENTS

The Partnership leases certain real and personal property under noncancelable operating leases. Future minimum lease payments under these arrangements at September 13, 1999, were as follows:

1999	$203,667
2000	178,432
2001	148,399
	$530,498

Total rent expense for the period January 1, 1999 to September 13, 1999 was $187,831, including $68,806 relating to cancelable pole rental agreements.

5. RETIREMENT BENEFITS

The Operating Partnership has a 401(k) plan for its employees that have been employed by the Operating Partnership for at least one year. Employees of the Operating Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1999 contribution of $10,000 (as set by the Internal Revenue Service). The Operating Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested upon contribution and Operating Partnership contributions and earnings vest 20% per year of employment with the Operating Partnership, becoming fully vested after five years. The Operating Partnership's matching contributions for the period January 1, 1999 to September 13, 1999 were $19,721.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Partnership has a number of financial instruments, none of which are held for trading purposes. The following method and assumptions were used by the Partnership to estimate the fair values of financial instruments as disclosed herein:

Cash, customer accounts receivable, other receivables, accounts payable and accrued liabilities and customer deposits and prepayments: The carrying value amount approximates fair value because of the short period to maturity.

The interest rate on debt is adjusted at least quarterly; therefore, the carrying value of debt approximates its fair value.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

7. LITIGATION

The Partnership could possibly be named as defendant in various actions and proceedings arising from the normal course of business. In all such cases, the Partnership will vigorously defend itself against the litigation and, where appropriate, will file counterclaims. Although the eventual outcome of potential lawsuits cannot be predicted, it is management's opinion that any such lawsuit will not result in liabilities that would have a material affect on the Partnership's financial position or results of operations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of InterMedia Partners
and InterMedia Capital Partners IV, L.P.

In our opinion, the accompanying combined balance sheets and the related combined statements of operations, of changes in equity and of cash flows present fairly, in all material respects, the financial position of InterMedia Cable Systems (comprised of components of InterMedia Partners and InterMedia Capital Partners IV, L.P.) at September 30, 1999 and December 31, 1998, and the results of their operations and their cash flows for the nine-months ended September 30, 1999 and for the years ended December 31, 1998 and 1997 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the management of InterMedia Partners and InterMedia Capital Partners IV, L.P.; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP

San Francisco, California
January 6, 2000

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED BALANCE SHEETS

(DOLLARS IN THOUSANDS)

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
ASSETS		
Accounts receivable, net of allowance for doubtful accounts of $903 and $899, respectively	$ 14,971	$ 14,425
Receivables from affiliates	7,966	5,623
Prepaid expenses	1,100	423
Other current assets	186	350
Total current assets	24,223	20,821
Intangible assets, net	214,182	255,356
Property and equipment, net	228,676	218,465
Deferred income taxes	15,279	12,598
Investments and other non-current assets	544	2,804
Total assets	$482,904	$510,044
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 15,504	$ 19,230
Deferred revenue	11,151	11,104
Payables to affiliates	2,265	3,158
Total current liabilities	28,920	33,492
Note payable to InterMedia Partners IV, L.P.	406,975	396,579
Deferred channel launch revenue	3,583	4,045
Total liabilities	439,478	434,116
Commitments and contingencies		
Mandatorily redeemable preferred shares	14,934	14,184
Equity	28,492	61,744
Total liabilities and equity	$482,904	$510,044

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
REVENUES			
Basic and cable services	$105,275	$125,920	$112,592
Pay services	20,699	23,975	24,467
Other services	26,815	26,167	25,519
	152,789	176,062	162,578
COSTS AND EXPENSES			
Program fees	35,579	39,386	33,936
Other direct expenses	15,280	16,580	16,500
Selling, general and administrative expenses	33,315	30,787	29,181
Management and consulting fees	2,356	3,147	2,870
Depreciation and amortization	79,325	85,982	81,303
	165,855	175,882	163,790
Profit/(loss) from operations	(13,066)	180	(1,212)
OTHER INCOME (EXPENSE)			
Interest expense	(17,636)	(25,449)	(28,458)
Interest and other income	187	341	429
Gain on sale of investment	1,678	--	--
Gain on sale/exchange of cable systems	--	26,218	10,006
Other expense	(4,397)	(3,188)	(1,431)
	(20,168)	(2,078)	(19,454)
Loss before income tax benefit (expense)	(33,234)	(1,898)	(20,666)
Income tax benefit (expense)	2,681	(1,623)	4,026
NET LOSS	$(30,553)	$ (3,521)	$(16,640)

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENT OF CHANGES IN EQUITY

(DOLLARS IN THOUSANDS)

Balance at January 1, 1997	$ 69,746
Net loss	(16,640)
Accretion for mandatorily redeemable preferred shares	(882)
Net contributions from parent	6,489
Balance at December 31, 1997	58,713
Net loss	(3,521)
Accretion for mandatorily redeemable preferred shares	(945)
Net cash contributions from parent	6,350
In-kind contribution from parent	1,147
Balance at December 31, 1998	61,744
Net loss	(30,553)
Accretion for mandatorily redeemable preferred shares	(750)
Net distributions to parent	(1,949)
Balance at September 30, 1999	$ 28,492

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

COMBINED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$(30,553)	$ (3,521)	$(16,640)
Adjustments to reconcile net loss to cash flows from operating activities:			
Depreciation and amortization	79,325	85,982	81,303
Loss on disposal of fixed assets	1,497	3,177	504
Gain on sale of investment	(1,678)	--	--
Gain on sale/exchange of cable systems	--	(26,218)	(10,006)
Changes in assets and liabilities:			
Accounts receivable	(546)	(1,395)	(2,846)
Receivables from affiliates	(2,343)	(3,904)	(639)
Prepaid expenses	(677)	203	(251)
Other current assets	164	(106)	(10)
Deferred income taxes	(2,681)	1,623	(4,311)
Other non-current assets	1,088	(517)	(58)
Accounts payable and accrued liabilities	134	(2,073)	4,436
Deferred revenue	740	1,208	1,399
Payables to affiliates	(893)	373	469
Accrued interest	17,636	25,449	28,458
Deferred channel launch revenue	(1,155)	2,895	2,817
Cash flows from operating activities	60,058	83,176	84,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(52,848)	(72,673)	(87,253)
Sale/exchange of cable systems	--	(398)	11,157
Proceeds from sale of investment	2,850	--	--
Intangible assets	(871)	(372)	(506)
Cash flows from investing activities	(50,869)	(73,443)	(76,602)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (distributions) contributions to/from parent	(1,949)	6,350	6,489
Net repayment of borrowings	(7,240)	(16,083)	(14,512)
Cash flows from financing activities	(9,189)	(9,733)	(8,023)
Net change in cash	--	--	--
Cash at beginning of period	--	--	--
Cash at end of period	$ --	$ --	$ --

See accompanying notes to combined financial statements.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. BASIS OF PRESENTATION

THE CHARTER TRANSACTIONS

InterMedia Partners, a California limited partnership ("IP-I"), and InterMedia Capital Partners IV, L.P., a California limited partnership, ("ICP-IV", together with IP-I, "InterMedia") are affiliated through common control and management. Robin Media Group, Inc. , a Nevada corporation, ("RMG") is a majority owned subsidiary of ICP-IV. On April 20, 1999 InterMedia and certain of its affiliates entered into agreements (the "Agreements") with affiliates of Charter Communications, Inc. ("Charter") to sell and exchange certain of their cable television systems ("the Charter Transactions"). The Charter Transactions closed on October 1, 1999.

Specifically, ICP-IV and its affiliates sold certain of their cable television systems in Tennessee and Gainesville, Georgia through a combination of asset sales and the sale of their equity interests in RMG, and exchanged their systems in and around Greenville and Spartanburg, South Carolina for Charter systems located in Indiana, Kentucky, Utah and Montana. Immediately upon Charter's acquisition of RMG, IP-I exchanged its cable television systems in Athens, Georgia, Asheville and Marion, North Carolina and Cleveland, Tennessee for RMG's cable television systems located in middle Tennessee.

The cable systems retained by Charter upon consummation of the Charter Transactions, together with RMG, are referred to as the "InterMedia Cable Systems," or the "Systems."

PRESENTATION

The accompanying combined financial statements represent the financial position of the InterMedia Cable Systems as of September 30, 1999 and December 31, 1998 and 1997 and the results of their operations and their cash flows for the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997. The Systems being sold or exchanged do not individually or collectively comprise a separate legal entity. Accordingly, the combined financial statements have been carved-out from the historical accounting records of InterMedia.

CARVE-OUT METHODOLOGY

Throughout the periods covered by the combined financial statements, the individual cable systems were operated and accounted for separately. However, the Charter Transactions exclude certain systems (the "Excluded Systems") which were operated as part of the Marion, North Carolina and western Tennessee systems throughout the periods presented in the combined financial statements. For purposes of carving out and excluding the results of operations and financial position of the Excluded Systems from the combined financial statements, management has estimated the revenues, expenses, assets and liabilities associated with each Excluded System based on the ratio of each Excluded System's basic subscribers to the total basic subscribers served by the Marion, North Carolina and western Tennessee systems, respectively. Management believes the basis used for these allocations is reasonable. The Systems' results of operations are not necessarily indicative of future operating results or the results that would have occurred if the Systems were a separate legal entity.

Management and consulting fees represent an allocation of management fees charged to IP-I and ICP-IV by InterMedia Capital Management, a California limited partnership ("ICM") and InterMedia Management, Inc. ("IMI"), respectively. ICM is a limited partner of IP-I. IMI is the managing member of each of the general partners of IP-I and ICP-IV. These fees are charged at a fixed amount per annum and have been allocated to the Systems based upon the allocated contributed capital of the individual systems as compared to the total contributed capital of InterMedia's subsidiaries.

As more fully described in Note 9 -- "Related Party Transactions," certain administrative services are also provided by IMI and are charged to all affiliates based on relative basic subscriber percentages.

CASH AND INTERCOMPANY ACCOUNTS

Under InterMedia's centralized cash management system, cash requirements of its individual operating units were generally provided directly by InterMedia and the cash generated or used by the Systems was transferred to/from InterMedia, as appropriate, through intercompany accounts. The intercompany account balances between InterMedia and the individual operating units, except RMG's intercompany note payable to InterMedia Partners IV, L.P. ("IP-IV"), as described in Note 7 -- "Note Payable to InterMedia Partners IV, L.P.," are not intended to be settled. Accordingly, the balances, other than RMG's note payable to IP-IV, are included in equity and all net cash flows from operations, investing activities and financing activities have been included in the Systems' net (distributions) contributions to/from parent in the combined statements of cash flows.

IP-I and ICP-IV or its subsidiaries maintain all external debt to fund and manage InterMedia's operations on a centralized basis. The combined financial statements present only the debt and related interest expense of RMG, which was assumed and repaid by Charter pursuant to the Charter Transactions. See Note 7 -- "Note Payable to InterMedia Partners IV, L.P." Debt, unamortized debt issue costs and interest expense related to the financing of the cable systems not owned by RMG have not been allocated to the InterMedia Cable Systems. As such, the level of debt, unamortized debt issue costs and related interest expense presented in the combined financial statements are not representative of the debt that would be required or interest expense incurred if InterMedia Cable Systems were a separate legal entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

Cable television service revenue is recognized in the period in which services are provided to customers. Deferred revenue generally represents revenue billed in advance and deferred until cable service is provided. Installation fees are recognized immediately into revenue to the extent of direct selling costs incurred. Any fees in excess of such costs are deferred and amortized into income over the period that customers are expected to remain connected to the cable television system.

PROPERTY AND EQUIPMENT

Additions to property and equipment, including new customer installations, are recorded at cost. Self-constructed fixed assets include materials, labor and overhead. Costs of disconnecting and reconnecting cable service are expensed. Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for major renewals and improvements are capitalized. Capitalized fixed assets are written down to recoverable values whenever recoverability through operations or sale of the systems becomes doubtful. Gains and losses on disposal of property and equipment are included in the Systems' statements of operations when the assets are sold or retired from service.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

Depreciation is computed using the double-declining balance method over the following estimated useful lives:

	YEARS
Cable television plant	5 -- 10
Buildings and improvements	10
Furniture and fixtures	3 -- 7
Equipment and other	3 -- 10

INTANGIBLE ASSETS

The Systems have franchise rights to operate cable television systems in various towns and political subdivisions. Franchise rights are being amortized over the lesser of the remaining franchise lives or the base ten and twelve-year terms of IP-I and ICP-IV, respectively. The remaining lives of the franchises range from one to seventeen years.

Goodwill represents the excess of acquisition costs over the fair value of net tangible and franchise assets acquired and liabilities assumed and is being amortized on a straight-line basis over the base ten or twelve-year term of IP-I and ICP-IV, respectively.

Capitalized intangibles are written down to recoverable values whenever recoverability through operations or sale of the systems becomes doubtful. Each year, the Systems evaluate the recoverability of the carrying value of their intangible assets by assessing whether the projected cash flows, including projected cash flows from sale of the systems, is sufficient to recover the unamortized costs of these assets.

INCOME TAXES

Income taxes reported in InterMedia Cable Systems' combined financial statements represent the tax effects of RMG's results of operations. RMG as a corporation is the only entity within InterMedia Cable Systems which reports a provision/benefit for income taxes. No provision or benefit for income taxes is reported by any of the other cable systems within the InterMedia Cable Systems structure because these systems are currently owned by various partnerships, and, as such, the tax effects of these cable systems' results of operations accrue to the partners.

RMG accounts for income taxes using the asset and liability approach which requires the recognition of deferred tax assets and liabilities for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of receivables, payables, deferred revenue and accrued liabilities approximates fair value due to their short maturity.

3. SALE AND EXCHANGE OF CABLE PROPERTIES

SALE

On December 5, 1997, RMG sold its cable television assets serving approximately 7,400 (unaudited) basic subscribers in and around Royston and Toccoa, Georgia. The sale resulted in a gain, calculated as follows:

Proceeds from sale	$ 11,212
Net book value of assets sold	(1,206)
Gain on sale	$ 10,006

EXCHANGE

On December 31, 1998, certain of the Systems' cable television assets located in and around western and eastern Tennessee ("Exchanged Assets"), serving approximately 10,600 (unaudited) basic subscribers, plus cash of $398 were exchanged for other cable television assets located in and around western and eastern Tennessee, serving approximately 10,000 (unaudited) basic subscribers.

The cable television assets received have been recorded at fair market value, allocated as follows:

Property and equipment	$ 5,141
Franchise rights	24,004
Total	$ 29,145

The exchange resulted in a gain of $26,218 calculated as the difference between the fair value of the assets received and the net book value of the Exchanged Assets less cash paid of $398.

4. INTANGIBLE ASSETS

Intangible assets consist of the following:

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Franchise rights	$ 332,800	$ 332,157
Goodwill	58,505	58,505
Other	573	345
	391,878	391,007
Accumulated amortization	(177,696)	(135,651)
	$ 214,182	$ 255,356

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Land	$ 1,080	$ 1,068
Cable television plant	266,848	231,937
Building and improvements	5,546	5,063
Furniture and fixtures	3,509	3,170
Equipment and other	29,953	25,396
Construction-in-progress	22,999	18,065
	329,935	284,699
Accumulated depreciation	(101,259)	(66,234)
	$ 228,676	$ 218,465

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Accounts payable	$ 4,793	$ 1,780
Accrued program costs	1,504	1,897
Accrued franchise fees	2,659	4,676
Accrued copyright fees	145	406
Accrued capital expenditures	1,355	5,215
Accrued payroll costs	2,746	1,784
Accrued property and other taxes	1,524	862
Other accrued liabilities	778	2,610
	$ 15,504	$ 19,230

7. NOTE PAYABLE TO INTERMEDIA PARTNERS IV, L.P.

RMG's note payable to IP-IV consists of the following:

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Intercompany revolving credit facility, $1,200,000 commitment as of September 30, 1999, interest currently at 6.60% payable on maturity, matures December 31, 2006	$406,975	$396,579

RMG's debt is outstanding under an intercompany revolving credit facility executed with IP-IV. The revolving credit facility currently provides for $1,200,000 of available credit.

RMG's intercompany revolving credit facility requires repayment of the outstanding principal and accrued interest on the earlier of (i) December 31, 2006, or (ii) acceleration of any of IP-IV's obligations to repay under its bank debt outstanding under its revolving credit facility ("IP-IV Revolving Credit Facility") and term loan agreement ("IP-IV Term Loan", together with the IP-IV Revolving Credit Facility, the "IP-IV Bank Facility") dated July 30, 1996.

On October 1, 1999, Charter assumed and repaid RMG's intercompany revolving credit facility pursuant to the Charter Transactions.

Interest rates under RMG's intercompany revolving credit facility are calculated monthly and are referenced to those made available under the IP-IV Bank Facility. Interest rates ranged from 6.21% to 6.96% during the nine months ended September 30, 1999.

Advances under the IP-IV Bank Facility are available under interest rate options related to the base rate of the administrative agent for the IP-IV Bank Facility ("ABR") or LIBOR. Interest rates on borrowings under the IP-IV Term Loan vary from LIBOR plus 1.75% to LIBOR plus 2.00% or ABR plus 0.50% to ABR plus 0.75% based on IP-IV's ratio of debt outstanding to annualized quarterly operating cash flow ("Senior Debt Ratio"). Interest rates on borrowings under the IP-IV Revolving Credit Facility also vary from LIBOR plus 0.625% to LIBOR plus 1.50% or ABR to ABR plus 0.25% based on IP-IV's Senior Debt Ratio. The IP-IV Bank Facility requires quarterly payment of fees on the unused portion of the IP-IV Revolving Credit Facility of 0.375% per annum when the Senior Debt Ratio is greater than 4.0:1.0 and at 0.25% when the Senior Debt Ratio is less than or equal to 4.0:1.0.

The terms and conditions of RMG's intercompany debt agreement are not necessarily indicative of the terms and conditions which would be available if the Systems were a separate legal entity.

8. MANDATORILY REDEEMABLE PREFERRED SHARES

RMG has Redeemable Preferred Stock outstanding at September 30, 1999 and December 31, 1998, which has an annual dividend of 10.0% and participates in any dividends paid on the common stock at 10.0% of the dividend per share paid on the common stock. The Redeemable Preferred Stock bears a liquidation preference of $12,000 plus any accrued but unpaid dividends at the time of liquidation and is mandatorily redeemable on September 30, 2006 at the liquidation preference amount. Pursuant to the terms of the Agreements, upon consummation of the Charter Transactions, Charter redeemed RMG's Redeemable Preferred Stock at the liquidation preference amount.

9. RELATED PARTY TRANSACTIONS

ICM and IMI provide certain management services to IP-I and ICP-IV, respectively, for per annum fixed fees, of which 20% per annum is deferred and payable in each following year in order to support InterMedia's debt. Management fees charged to InterMedia for the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997 amounted to $4,059, $5,410 and $6,395, respectively, of which $2,356, $3,147 and $2,870, respectively, has been charged to the Systems.

IMI has entered into agreements with both IP-I and ICP-IV to provide accounting and administrative services at cost. Under the terms of the agreements, the expenses associated with rendering these services are charged to the Systems and other affiliates based upon relative basic subscriber percentages. Management believes this method to be reflective of the actual cost. IMI also pays on behalf of the Systems and other affiliates "pass through costs" that are specifically identifiable to the Systems and other affiliates. These include, but are not limited to programming fees and copyright fees. During the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997, IMI administrative fees charged to the Systems totaled $3,093, $3,657 and $4,153, respectively. Receivables from affiliates at September 30, 1999 and

December 31, 1998 include $5,873 and $52, respectively, of advances to IMI, net of administrative fees charged by IMI and operating expenses paid by IMI on behalf of the Systems.

IP-I is majority-owned, and ICP-IV is owned in part, by AT&T Broadband & Internet Services ("AT&TBIS"), formerly Tele-Communications, Inc. As affiliates of AT&TBIS, IP-I and ICP-IV are able to purchase programming services from a subsidiary of AT&TBIS. Management believes that the overall programming rates made available through this relationship are lower than the Systems could obtain separately. Such volume rates may not continue to be available in the future should AT&TBIS's ownership interest in InterMedia significantly decrease. Program fees charged by the AT&TBIS subsidiary to the Systems for the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997 amounted to $26,352, $30,884 and $26,815, respectively. Payables to affiliates include programming fees payable to the AT&TBIS subsidiary of $2,918 at December 31, 1998. There were no programming fees payable to the AT&TBIS subsidiary at September 30, 1999.

On January 1, 1998 an affiliate of AT&TBIS entered into agreements with InterMedia to manage the Systems' advertising business and related services for an annual fixed fees per advertising sales subscriber as defined by the agreements. In addition to the annual fixed fee, AT&TBIS is entitled to varying percentage shares of the incremental growth in annual cash flows from advertising sales above specified targets. Management fees charged by the AT&TBIS subsidiary for the nine months ended September 30, 1999 and the year ended December 31, 1998 amounted to $227 and $292, respectively. Receivables from affiliates at September 30, 1999 and December 31, 1998 include $2,034 and $3,437, respectively, of receivable from AT&TBIS for advertising sales.

As part of its normal course of business the Systems are involved in transactions with affiliates of InterMedia which own and operate cable television systems. Such transactions include purchases and sales, at cost, of inventories used in construction of cable plant. Receivables from affiliates at September 30, 1999 and December 31, 1998 include $59 and $2,134, respectively, of receivables from affiliated systems. Payables to affiliates at September 30, 1999 and December 31, 1998 include $2,265 and $208, respectively, of payables to affiliated systems.

10. CABLE TELEVISION REGULATION

Cable television legislation and regulatory proposals under consideration from time to time by Congress and various federal agencies have in the past, and may in the future, materially affect the Systems and the cable television industry.

The cable industry is currently regulated at the federal and local levels under the Cable Act of 1984, the Cable Act of 1992 ("the 1992 Act"), the Telecommunications Act of 1996 (the "1996 Act") and regulations issued by the Federal Communications Commission ("FCC") in response to the 1992 Act. FCC regulations govern the determination of rates charged for basic, expanded basic and certain ancillary services, and cover a number of other areas including customer services and technical performance standards, the required transmission of certain local broadcast stations and the requirement to negotiate retransmission consent from major network and certain local television stations. Among other provisions, the 1996 Act eliminated rate regulation on the expanded basic tier effective March 31, 1999.

Current regulations issued in conjunction with the 1992 Act empower the FCC and/or local franchise authorities to order reductions of existing rates which exceed the maximum permitted levels and to require refunds measured from the date a complaint is filed in some circumstances or retroactively for up to one year in other circumstances. Management believes it has made a fair interpretation of the 1992 Act and related

FCC regulations in determining regulated cable television rates and other fees based on the information currently available. However, complaints have been filed with the FCC on rates for certain franchises and certain local franchise authorities have challenged existing and prior rates. Further complaints and challenges could be forthcoming, some of which could apply to revenue recorded in 1999 and prior years. Management believes that the effect, if any, of these complaints and challenges will not be material to the Systems' financial position or results of operations.

Many aspects of regulation at the federal and local levels are currently the subject of judicial review and administrative proceedings. In addition, the FCC is required to conduct rulemaking proceedings to implement various provisions of the 1996 Act. It is not possible at this time to predict the ultimate outcome of these reviews or proceedings or their effect on the Systems.

11. COMMITMENTS AND CONTINGENCIES

The Systems are committed to provide cable television services under franchise agreements with remaining terms of up to seventeen years. Franchise fees of up to 5% of gross revenues are payable under these agreements.

Current FCC regulations require that cable television operators obtain permission to retransmit major network and certain local television station signals. The Systems have entered into long-term retransmission agreements with all applicable stations in exchange for in-kind and/or other consideration.

InterMedia has been named in purported and certified class actions in various jurisdictions concerning late fee charges and practices. Certain cable systems owned by InterMedia charge late fees to customers who do not pay their cable bills on time. These late fee cases challenge the amount of the late fees and the practices under which they are imposed. The plaintiffs raise claims under state consumer protection statutes, other state statutes and common law. The plaintiffs generally allege that the late fees charged by InterMedia's cable systems, including the Systems in the States of Tennessee, South Carolina and Georgia are not reasonably related to the costs incurred by the cable systems as a result of the late payment. The plaintiffs seek to require cable systems to reduce their late fees on a prospective basis and to provide compensation for alleged excessive late fee charges for past periods. These cases are either at the early stages of the litigation process or are subject to a case management order that sets forth a process leading to mediation. Based upon the facts available management believes that, although no assurances can be given as to the outcome of these actions, the ultimate disposition of these matters should not have a material adverse effect upon the financial condition of the Systems.

In the Spring of 1999 the Tennessee Department of Revenue ("TDOR") proposed legislation that was passed by the Tennessee State Legislature which replaced the former Amusement Tax with a new sales tax on all cable service revenues in excess of fifteen dollars per month effective September 1, 1999. The new tax is computed at a rate approximately equal to the former effective tax rate.

Prior to the passage of this legislation, the TDOR suggested that under its interpretation of the former legislation it could assess, for prior periods up to three years, additional taxes on expanded basic service revenue. Management believes that based on subsequent correspondence with the TDOR that the TDOR will not pursue additional taxes under the former amusement tax legislation.

The Systems are subject to other claims and litigation in the ordinary course of business. In the opinion of management, the ultimate outcome of any existing litigation or other claims will not have a material effect on the Systems' financial position or results of operations.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

The Systems have entered into pole rental agreements and lease certain of its facilities and equipment under non-cancelable operating leases. Minimum rental commitments at September 30, 1999 for the next five years and thereafter under non-cancelable operating leases related to the Systems are as follows:

1999	$ 169
2000	623
2001	580
2002	366
2003	252
2004 and thereafter	1,080
	$3,070

Rent expense, including pole rental agreements, for the nine months ended September 30, 1999 and for the years ended December 31, 1998 and 1997 was $2,243, $2,817 and $2,828, respectively.

12. INCOME TAXES

Income tax benefit (expense) consists of the following:

	NINE MONTHS ENDED SEPTEMBER 30, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
Current federal	$ --	$ --	$ (285)
Deferred federal	2,415	(1,454)	3,813
Deferred state	266	(169)	498
	$ 2,681	$(1,623)	$ 4,026

Deferred income taxes relate to temporary differences as follows:

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
Property and equipment	$ (7,425)	$ (7,258)
Intangible assets	(10,514)	(12,930)
	(17,939)	(20,188)
Loss carryforward -- federal	31,924	31,547
Loss carryforward -- state	341	297
Other	953	942
	$ 15,279	$ 12,598

At December 31, 1998, RMG had net operating loss carryforwards for federal income tax purposes aggregating $92,785, which expire through 2018. RMG is a loss corporation as defined in Section 382 of the Internal Revenue Code. Therefore, if certain substantial changes in RMG's ownership should occur, there could be a significant annual limitation on the amount of loss carryforwards which can be utilized.

InterMedia's management has not established a valuation allowance to reduce the deferred tax assets related to RMG's unexpired net operating loss carryforwards. Due to an excess of appreciated asset value over the tax basis of RMG's net assets, management believes it is more likely than not that the deferred tax assets related to unexpired net operating losses will be realized.

(DOLLARS IN THOUSANDS)

A reconciliation of the tax benefit (expense) computed at the statutory federal rate and the benefit (expense) reported in the accompanying combined statements of operations is as follows:

	NINE MONTHS ENDED SEPTEMBER 30, 1999	YEAR ENDED DECEMBER 31, 1998	YEAR ENDED DECEMBER 31, 1997
Tax benefit at federal statutory rate	$ 4,476	$ 626	$ 4,454
State taxes, net of federal benefit	522	73	498
Goodwill amortization	(1,675)	(2,309)	(2,056)
Realization of acquired tax benefit	--	--	346
Other	(642)	(13)	784
	$ 2,681	$ (1,623)	$ 4,026

13. CHANNEL LAUNCH REVENUE

During 1997 and 1998, the Systems were credited with amounts representing their share of payments received or to be received by InterMedia from certain programmers to launch and promote their new channels. Of the total amount credited, the Systems recognized advertising revenue of $434, $586 and $1,182 during the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997, respectively, for advertisements provided by the Systems to promote the new channels. The remaining amounts credited to the Systems are being amortized over the respective terms of the program agreements which range between five to ten years. For the nine months ended September 30, 1999 and the years ended December 31, 1998 and 1997, the Systems amortized and recorded as other service revenues $721, $956 and $894, respectively. Also, during 1998 the Systems recorded a receivable from a programmer, of which $853 and $1,791 remained outstanding at September 30, 1999 and December 31, 1998, respectively, for the launch and promotion of its new channel.

14. SUPPLEMENTAL DISCLOSURES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

In connection with RMG's sale of its cable television assets located in Royston and Toccoa, Georgia in December 1997, as described in Note 3 -- "Sale and Exchange of Cable Properties," net cash proceeds received were as follows:

Proceeds from sale	$ 11,212
Receivable from buyer	(55)
Net proceeds received from buyer	$ 11,157

In connection with the exchange of certain cable assets in and around western and eastern Tennessee on December 31, 1998, as described in Note 3, the Systems paid cash of $398.

In December 1998, IP-IV contributed its 4.99% partner interest in a limited partnership to RMG. The book value of the investment at the time of the contribution was $1,147.

Total accretion on RMG's Redeemable Preferred Stock for the nine months ended September 30, 1999 and for the years ended December 31, 1998 and 1997 amounted to $750, $945 and $882, respectively.

INTERMEDIA CABLE SYSTEMS
(COMPRISED OF COMPONENTS OF INTERMEDIA PARTNERS AND INTERMEDIA CAPITAL PARTNERS IV, L.P.)

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

15. EMPLOYEE BENEFIT PLANS

The Systems participate in the InterMedia Partners Tax Deferred Savings Plan which covers all full-time employees who have completed at least six months of employment. The plan provides for a base employee contribution of 1% and a maximum of 15% of compensation. The Systems' matching contributions under the plan are at the rate of 50% of the employee's contribution, up to a maximum of 5% of compensation.

REPORT OF INDEPENDENT AUDITORS

The Audit Committee
CHARTER COMMUNICATIONS, INC.

We have audited the accompanying combined balance sheets of Fanch Cable Systems Sold to Charter Communications, Inc. (comprised of components of TWFanch-one Co., components of TWFanch-two Co., Mark Twain Cablevision, North Texas Cablevision LTD., Post Cablevision of Texas L.P., Spring Green Communications L.P., Fanch Narragansett CSI L.P., Cable Systems Inc., ARH, and Tioga), as of November 11, 1999 and December 31, 1998, and the related combined statements of operations, net assets and cash flows for the period from January 1, 1999 through November 11, 1999 and for the years ended December 31, 1998 and 1997. These financial statements are the responsibility of Fanch Communications, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of North Texas Cablevision, LTD., Spring Green Communications L.P., Cable Systems Inc. and Fanch Narragansett CSI Limited Partnership, which statements reflect total assets of $18,289,788 as of December 31, 1998 and total revenues of $14,562,704 and $11,906,101 for the years ended December 31, 1998 and 1997. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to data included for North Texas Cablevision LTD., Spring Green Communications L.P., Cable Systems Inc. and Fanch Narragansett CSI Limited Partnership, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the combined financial position of Fanch Cable Systems Sold to Charter Communications, Inc. at November 11, 1999 and December 31, 1998, and the combined results of its operations and its cash flows for the period from January 1, 1999 through November 11, 1999 and the years ended December 31, 1998 and 1997 in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Denver, Colorado
January 28, 2000

REPORT OF INDEPENDENT AUDITORS

The Shareholders
CABLE SYSTEMS, INC.

The Partners
FANCH NARRAGANSETT CSI LIMITED PARTNERSHIP

We have audited the accompanying balance sheets of Cable Systems, Inc. and Fanch Narragansett CSI Limited Partnership as of December 31, 1998 and 1997, and the related statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying combined financial statements have been prepared pursuant to Section 5.04(a) of the Loan Agreement between Cable Systems, Inc., Fanch Narragansett CSI Limited Partnership and Fleet National Bank. Generally accepted accounting principles do not recognize consolidated financial statements when a less than 50% ownership ratio exists between two companies. As a result, our opinion is restricted to the individual company statements shown.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cable Systems, Inc. and Fanch Narragansett CSI Limited Partnership at December 31, 1998 and 1997, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ SHIELDS & CO.

March 9, 1999
Englewood, Colorado

REPORT OF INDEPENDENT AUDITORS

The Partners
NORTH TEXAS CABLEVISION, LTD.

We have audited the accompanying consolidated balance sheets of North Texas Cablevision, Ltd. as of December 31, 1998 and 1997, and the related consolidated statements of operations and partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Texas Cablevision, Ltd. at December 31, 1998 and 1997, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

/s/ SHIELDS & CO.

March 9, 1999
Englewood, Colorado

REPORT OF INDEPENDENT AUDITORS

The Partners
SPRING GREEN COMMUNICATIONS, L.P.

We have audited the accompanying balance sheet of Spring Green Communications, L.P. as of December 31, 1998 and 1997, and the related statements of operations and partners' capital and cash flows from inception November 3, 1997, through December 31, 1998. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring Green Communications, L.P. at December 31, 1998 and 1997, and the results of its operations and its cash flows for the periods ended December 31, 1997, and 1998 in conformity with generally accepted accounting principles.

/s/ SHIELDS & CO.

March 10, 1999
Englewood, Colorado

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.
COMBINED BALANCE SHEETS

	NOVEMBER 11, 1999	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 568,583	$ 809,720
Accounts receivable, less allowance for doubtful accounts of approximately $229,000 and $443,000 in 1999 and 1998, respectively	7,424,375	3,236,751
Prepaid expenses and other current assets	1,529,577	1,645,785
Total current assets	9,522,535	5,692,256
Property, plant and equipment:		
Transmission and distribution systems and related equipment	325,687,737	200,526,755
Furniture and equipment	13,704,415	8,389,207
	339,392,152	208,915,962
Less accumulated depreciation	(73,807,164)	(52,484,281)
Net property, plant and equipment	265,584,988	156,431,681
Goodwill, net of accumulated amortization of approximately $85,370,000 and $63,030,000 in 1999 and 1998, respectively	515,312,398	266,776,690
Subscriber lists, net of accumulated amortization of approximately $28,168,000 and $15,024,000 in 1999 and 1998, respectively	67,444,869	17,615,056
Other intangible assets, net of accumulated amortization of approximately $17,157,000 and $14,411,000 in 1999 and 1998, respectively	12,032,316	11,482,409
Total intangible assets	594,789,583	295,874,155
Other assets	--	1,050,815
Total assets	$869,897,106	$459,048,907
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 7,065,436	$ 13,630,205
Subscriber advances and deposits	5,492,869	2,033,992
Total current liabilities	12,558,305	15,664,197
Net assets	857,338,801	443,384,710
Total liabilities and net assets	$869,897,106	$459,048,907

See accompanying notes.

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.
COMBINED STATEMENTS OF OPERATIONS

	PERIOD FROM JANUARY 1 TO NOVEMBER 11, 1999	YEAR ENDED DECEMBER 31, 1998	1997
Revenues:			
Service	$165,967,333	$123,183,391	$113,954,539
Installation and other	19,948,268	17,920,743	16,587,074
	185,915,601	141,104,134	130,541,613
Operating expenses, excluding depreciation and amortization	58,504,674	42,616,007	40,346,214
Selling, general and administrative expenses	27,071,932	20,361,890	21,363,377
	85,576,606	62,977,897	61,709,591
Income before other expenses	100,338,995	78,126,237	68,832,022
Other expenses:			
Depreciation and amortization	62,097,138	45,885,038	61,502,426
Management fees	6,161,558	3,998,259	3,663,561
Loss (gain) on disposal of assets	8,135,954	6,420,250	(1,229,272)
Other (income) expense, net	(340,049)	313,693	232,102
Net income before tax expense	24,284,394	21,508,997	4,663,205
Income tax expense	197,334	286,451	2,260,369
Net income	$ 24,087,060	$ 21,222,546	$ 2,402,836

See accompanying notes.

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.

COMBINED STATEMENTS OF NET ASSETS

	PERIOD FROM JANUARY 1 TO NOVEMBER 11, 1999	YEAR ENDED DECEMBER 31, 1998	1997
Net assets at beginning of period	$443,384,710	$455,085,231	$481,540,621
Net income	24,087,060	21,222,546	2,402,836
Contributions from (payments to) owners	389,867,031	(32,923,067)	(28,858,226)
Net assets at end of period	$857,338,801	$443,384,710	$455,085,231

See accompanying notes.

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.

COMBINED STATEMENTS OF CASH FLOWS

	PERIOD FROM JANUARY 1 TO NOVEMBER 11, 1999	YEAR ENDED DECEMBER 31, 1998	1997
OPERATING ACTIVITIES			
Net income	$ 24,087,060	$ 21,222,546	$ 2,402,836
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	62,097,138	45,885,038	61,502,426
Loss (gain) on disposal of assets	8,135,954	6,420,250	(1,229,272)
(Increase) decrease in accounts receivable, prepaid expenses and other current assets	(3,020,601)	(2,053,483)	2,067,370
(Decrease) increase in accounts payable and other accrued liabilities and subscriber advances and deposits	(3,105,892)	1,434,091	(4,676,441)
Net cash provided by operating activities	88,193,659	72,908,442	60,066,919
INVESTING ACTIVITIES			
Acquisition of systems	(413,345,351)	--	(18,243,593)
Purchases of property, plant and equipment	(64,956,476)	(39,343,681)	(17,213,637)
Additions to intangibles, net	--	(909,674)	(1,116,251)
Proceeds from sale of equipment	--	103,028	5,337,321
Net cash used in investing activities	(478,301,827)	(40,150,327)	(31,236,160)
FINANCING ACTIVITIES			
Contributions from (payments to) owners	389,867,031	(32,923,067)	(28,858,226)
Net cash provided by (used in) financing activities	389,867,031	(32,923,067)	(28,858,226)
Net change in cash and cash equivalents	(241,137)	(164,952)	(27,467)
Cash and cash equivalents at beginning of year	809,720	974,672	1,002,139
Cash and cash equivalents at end of year	$ 568,583	$ 809,720	$ 974,672

See accompanying notes.

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOVEMBER 11, 1999

1. BASIS OF PRESENTATION

ACQUISITION BY CHARTER COMMUNICATIONS, INC. AND BASIS OF PRESENTATION

The Fanch Cable Systems Sold to Charter Communications, Inc. are comprised of the following entities: components of TWFanch-one Co., components of TWFanch-two Co., Mark Twain Cablevision, North Texas Cablevision LTD., Post Cablevision of Texas L.P., Spring Green Communications L.P., Fanch Narragansett CSI L.P., Cable Systems Inc., ARH, and Tioga (the "Combined Systems"). The Combined Systems were managed by Fanch Communications, Inc. (the "Management Company").

Pursuant to a purchase agreement, dated May 12, 1999 between certain partners ("Partners") of the Combined Systems and Charter Communications, Inc. ("Charter"), the Partners of the Combined Systems entered into a distribution agreement whereby the Partners will distribute and/or sell certain of their cable systems to certain of their respective Partners. These Partners will then sell the Combined Systems through a combination of asset sales and the sale of equity and partnership interests to Charter.

Accordingly, these combined financial statements of the Combined Systems reflect the "carved out" financial position, results of operations, cash flows and changes in net assets of the operations of the Combined Systems as if they had been operating as a separate company. For purposes of determining the financial statement amounts of the Combined Systems, management excluded certain systems (the "Excluded Systems"). In order to exclude the results of operations and financial position of the Excluded Systems from the combined financial statements, management has estimated certain revenues, expenses, assets and liabilities that are not specifically identified to systems based on the ratio of each Excluded System's basic subscribers to the total basic subscribers served by the respective partnerships. Management believes the basis used for these allocations is reasonable. The Combined Systems' results of operations are not necessarily indicative of future operating results or the results that would have occurred if the Combined Systems were a separate legal entity.

DESCRIPTION OF BUSINESS

The Combined Systems, operating in various states throughout the United States, are principally engaged in operating cable television systems and related activities under non-exclusive franchise agreements.

PRINCIPLES OF COMBINATION

The accompanying combined financial statements include the accounts of the Combined Systems, as if the Combined Systems were a single company. All material intercompany balances and transactions have been eliminated.

CASH, INTERCOMPANY ACCOUNTS AND DEBT

Under the Combined Systems' centralized cash management system, the cash requirements of its individual operating units were generally subsidized by the Management Company and the cash generated or used by the individual operating units was transferred to/from the Management Company, as appropriate, through the use of intercompany accounts. The resulting intercompany account balances are included in net assets and all the net cash generated from (used in) operations, investing activities and financing activities has been included in the Combined Systems' net contributions by (payments to) the Management Company in the combined statements of cash flows. The Management Company maintains external debt to fund and manage operations on a centralized basis. Debt, unamortized loan costs and interest expense of the Management Company have not been allocated to the Combined Systems. As such, the debt, unamortized

1. BASIS OF PRESENTATION (CONTINUED)

loan costs, and related interest are not representative of the debt that would be required or interest expense incurred if the Combined Systems were a separate legal entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

The Combined Systems record additions to property, plant and equipment at cost, which in the case of assets constructed includes amounts for material, labor and overhead. Maintenance and repairs are charged to expense as incurred.

For financial reporting purposes, the Combined Systems use the straight-line method of depreciation over the estimated useful lives of the assets as follows:

	LIVES
Transmission and distribution systems and related equipment	3 to 20 years
Furniture and equipment	4 to 8 1/2 years

INCOME TAXES

The Combined Systems pay an immaterial amount of income taxes. Taxes are paid for Cable Systems, Inc., Hornell, ARH, Tioga, and systems operating in the State of Michigan. The majority of the Combined Systems are various partnerships and, as such, the tax effects of the Combined Systems' results of operations accrue to the partners.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Combined Systems recognize revenue when services have been delivered. Revenues on long-term contracts are recognized over the term of the contract using the straight-line method.

INTANGIBLES

Intangibles are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

	LIVES
Goodwill	7 to 20 years (7 to 10 in 1997)
Subscriber list	3 to 7 years
Other, including franchise costs	2 to 13 years

Amortization expense was $38,229,923, $25,955,253, and $44,595,992 for the period from January 1, 1999 to November 11, 1999 and for the years ended December 31, 1998 and 1997, respectively. Certain of the Combined Systems changed the estimated useful life of goodwill from 7 and 10 years in 1997 to 20 years

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

effective January 1, 1998 to better match the amortization period to anticipated economic lives of the franchises and to better reflect industry practice. This change in estimate resulted in an increase in net income of approximately $20 million for the year ended December 31, 1998.

3. DISPOSAL OF ASSETS

During the periods presented, various upgrades were performed on certain plant locations. The cost and accumulated depreciation applicable to the plant replaced has been estimated and recorded as a loss on disposal, which is summarized as follows:

	PERIOD FROM JANUARY 1 TO NOVEMBER 11	YEAR ENDED DECEMBER 31	
	1999	1998	1997
Cost	$12,238,388	$8,606,851	$ 5,529,505
Accumulated depreciation	(4,102,434)	(2,083,573)	(2,003,191)
Proceeds	--	(103,028)	(5,337,321)
Disposal of intangible assets	--	--	2,978,143
Accumulated amortization	--	--	(2,396,408)
Loss (gain) on disposal	$ 8,135,954	$6,420,250	$(1,229,272)

4. PURCHASE AND SALE OF SYSTEMS

On March 30, 1997, the Combined Systems acquired cable television systems, including plant and franchise and business licenses, serving communities in the states of Pennsylvania and Virginia. The purchase price was $1.4 million, of which $765,000 was allocated to property, plant and equipment and $635,000 was allocated to intangible assets.

Concurrent with the purchase of the systems in Pennsylvania on March 30, 1997, the Combined Systems sold certain of these assets, including plant and franchise and business licenses, for $340,000. No gain or loss on this transaction was recorded.

On June 30, 1997, the Combined Systems acquired cable television systems, including plant and franchise and business licenses, serving communities in the State of Indiana. The purchase price was $6,345,408, of which $2,822,260 was allocated to property, plant and equipment and $3,523,148 was allocated to intangible assets.

On November 3, 1997, the Combined Systems acquired substantially all of the assets, including franchise and business licenses, for cable systems serving various communities in Wisconsin. The purchase price was $8.7 million, of which $3.9 million was allocated to property, plant and equipment and $4.8 million was allocated to intangible assets.

On June 12, 1998, the Combined Systems entered into an agreement to acquire cable television systems, including plant and franchise and business licenses, serving communities in the State of Michigan. The purchase price was $42 million, subject to purchase price adjustments. In connection with the agreement, the Combined Systems received an additional $8.76 million in capital contributions. The agreement was completed and the assets were transferred to the Combined Systems on February 1, 1999. The Combined Systems recorded approximately $11.7 million in property, plant and equipment and approximately $30.3 million in intangible assets.

4. PURCHASE AND SALE OF SYSTEMS (CONTINUED)

On July 8, 1998, the Combined Systems entered into an Asset Purchase Agreement to acquire cable television systems, including plant and franchise and business licenses, serving communities in the states of Maryland, Ohio and West Virginia. The purchase price was $248 million, subject to purchase price adjustments. The transaction was completed and the assets were transferred to the Combined Systems on February 24, 1999. The Combined Systems recorded approximately $39 million to property, plant and equipment and approximately $209 million to intangible assets.

On January 15, 1999, the Combined Systems entered into an agreement to acquire cable television systems, including plant and franchise and business licenses, serving communities in the State of Michigan from a related party. The purchase price was $70 million, subject to purchase price adjustments. The agreement was completed and the assets were transferred to the Combined Systems on March 31, 1999. In connection with the agreement, the Combined Systems received an additional $25 million in capital contributions. The Combined Systems recorded approximately $14.4 million to property, plant and equipment and approximately $55.6 million to intangible assets.

On May 12, 1999, the Combined Systems entered into an agreement to acquire the stock of ARH, Ltd. ARH, Ltd. is engaged in the business of owning and operating cable television systems in Texas and West Virginia. The purchase price was $50 million subject to purchase price adjustments. The transaction was completed and the assets were transferred to the Combined Systems on June 22, 1999. The Combined Systems recorded approximately $3.9 million to property, plant and equipment and approximately $46.1 million to intangible assets.

Unaudited pro forma operating results as though the acquisitions discussed above had occurred at the beginning of the periods, with adjustments to give effect to amortization of franchises and certain other adjustments for the period, are as follows:

	PERIOD FROM JANUARY 1 TO NOVEMBER 11 1999	YEAR ENDED DECEMBER 31 1998
Revenues	$202,259,532	$197,803,975
Income from operations	92,986,581	107,053,905
Net income	27,704,095	32,130,293

The unaudited pro forma information has been presented for comparative purposes and does not purport to be indicative of the results of operations had these transactions been complete as of the assumed date or which may be obtained in the future.

5. RELATED PARTIES

The Combined Systems have entered into management agreements with the Management Company whose sole stockholder is affiliated with several of the Combined Systems. The Combined Systems have also entered into a management agreement with an entity (the "Affiliated Company") that has ownership interest in certain of the Combined Systems. The agreements provide that the Management Company and the Affiliated Company will manage their respective systems and receive annual compensation equal to 2.5% to 5% of the gross revenues from operations from their respective systems. Management fees were $6,161,558, $4,072,179, and $3,663,560 for the period from January 1, 1999 to November 11, 1999 and the years ended December 31, 1998 and 1997, respectively.

A company affiliated with the Management Company provides subscriber billing services for a portion of the Combined Systems' subscribers. The Combined Systems incurred fees for monthly billing and related

FANCH CABLE SYSTEMS SOLD TO CHARTER COMMUNICATIONS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. RELATED PARTIES (CONTINUED)

services in the approximate amounts of $362,000, $507,000, and $535,000 for the period from January 1, 1999 to November 11, 1999 and the years ended December 31, 1998 and 1997, respectively.

The Combined Systems purchase the majority of their programming through the Affiliated Company. Fees incurred for programming were approximately $38,356,000, $24,600,000, and $22,200,000 for the period from January 1, 1999 to November 11, 1999 and the years ended December 31, 1998 and 1997, respectively.

The Management Company pays amounts on behalf of and receives amounts from the Combined Systems in the ordinary course of business. Accounts receivable and payable of the Combined Systems include amounts due from and due to the Management Company.

6. COMMITMENTS

The Combined Systems, as an integral part of their cable operations, have entered into lease contracts for certain items including tower rental, microwave service and office space. Rent expense, including office, tower and pole rent, for the period from January 1, 1999 to November 11, 1999 and the years ended December 31, 1998 and 1997 was approximately $3,110,000, $2,462,866, and $2,238,394, respectively. The majority of these agreements are on month-to-month arrangements and, accordingly, the Combined Systems have no material future minimum commitments related to these leases.

7. EMPLOYEE BENEFIT PLAN

The Combined Systems each have a defined contribution plan (the "Plan") which qualifies under section 401(k) of the Internal Revenue Code. Therefore, each system of the Combined Systems participates in the respective plan. Combined Systems contributions were approximately $497,000, $354,000, and $297,000 for the period from January 1, 1999 to November 11, 1999 and the years ended December 31, 1998 and 1997, respectively.

REPORT OF INDEPENDENT AUDITORS

Partners
Falcon Communications, L.P.

We have audited the accompanying consolidated balance sheets of Falcon Communications, L.P. as of December 31, 1998 and November 12, 1999, and the related consolidated statements of operations, partners' equity (deficit) and cash flows for each of the two years in the period ended December 31, 1998 and for the period from January 1, 1999 to November 12, 1999 (date of disposition). These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Falcon Communications, L.P. at December 31, 1998 and November 12, 1999 and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 1998 and for the period from January 1, 1999 to November 12, 1999 (date of disposition), in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Los Angeles, California
March 2, 2000

FALCON COMMUNICATIONS, L.P.

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 1998	NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)	
ASSETS:		
Cash and cash equivalents	$ 14,284	$ 9,995
Receivables:		
Trade, less allowance of $670,000 and $1,074,000 for possible losses	15,760	18,946
Affiliates	2,322	3,511
Other assets	16,779	33,456
Property, plant and equipment, less accumulated depreciation and amortization	505,894	553,851
Franchise cost, less accumulated amortization of $226,526,000 and $269,752,000	397,727	370,461
Goodwill, less accumulated amortization of $25,646,000 and $31,636,000	135,308	130,581
Customer lists and other intangible costs, less accumulated amortization of $59,422,000 and $127,314,000	333,017	273,851
Deferred loan costs, less accumulated amortization of $2,014,000 and $3,137,000	24,331	22,623
	$1,445,422	$1,417,275
LIABILITIES AND PARTNERS' DEFICIT		
LIABILITIES:		
Notes payable	$1,611,353	$1,711,835
Accounts payable	10,341	16,790
Due to affiliate	--	15,202
Accrued expenses	83,077	56,160
Customer deposits and prepayments	2,257	8,070
Deferred income taxes	8,664	8,393
Minority interest	403	541
TOTAL LIABILITIES	1,716,095	1,816,991
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE PARTNERS' EQUITY	133,023	424,280
PARTNERS' EQUITY (DEFICIT):		
General partners	(408,369)	(826,681)
Limited partners	4,673	2,685
TOTAL PARTNERS' DEFICIT	(403,696)	(823,996)
	$1,445,422	$1,417,275

See accompanying notes to consolidated financial statements.

FALCON COMMUNICATIONS, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	PERIOD FROM JANUARY 1, 1999 TO NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)		
REVENUES	$255,886	$ 307,558	$ 371,617
EXPENSES:			
Service costs	75,643	97,832	125,246
General and administrative expenses	46,437	63,401	139,462
Depreciation and amortization	118,856	152,585	196,260
Total expenses	240,936	313,818	460,968
Operating income (loss)	14,950	(6,260)	(89,351)
OTHER INCOME (EXPENSE):			
Interest expense, net	(79,137)	(102,591)	(114,993)
Equity in net income (loss) of investee partnerships	443	(176)	(41)
Other income (expense), net	885	(2,917)	8,062
Income tax benefit (expense)	2,021	(1,897)	(2,509)
Net loss before extraordinary item	(60,838)	(113,841)	(198,832)
Extraordinary item, retirement of debt	--	(30,642)	--
NET LOSS	$(60,838)	$(144,483)	$(198,832)

See accompanying notes to consolidated financial statements.

FALCON COMMUNICATIONS, L.P.

CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

	GENERAL PARTNERS	LIMITED PARTNERS	TOTAL
	(DOLLARS IN THOUSANDS)		
PARTNERS' DEFICIT, January 1, 1997	$ (12,591)	$ (443,908)	$ (456,499)
Reclassification from redeemable partners' equity	--	100,529	100,529
Capital contribution	--	53	53
Net loss for year	(609)	(60,229)	(60,838)
PARTNERS' DEFICIT, December 31, 1997	(13,200)	(403,555)	(416,755)
Reclassification of partners' deficit	(408,603)	408,603	--
Redemption of partners' interests	(155,908)	--	(155,908)
Net assets retained by the managing general partner	(5,392)	--	(5,392)
Reclassification from redeemable partners' equity	38,350	--	38,350
Acquisition of Falcon Video and TCI net assets	280,409	--	280,409
Capital contributions	83	--	83
Net loss for year	(144,108)	(375)	(144,483)
PARTNERS' EQUITY (DEFICIT) December 31, 1998	(408,369)	4,673	(403,696)
Reclassification to redeemable partners' equity	(291,257)	--	(291,257)
Capital contributions	70,723	--	70,723
Acquisition of TCI net assets adjustment	(934)	--	(934)
Net loss for period	(196,844)	(1,988)	(198,832)
PARTNERS' EQUITY (DEFICIT) November 12, 1999	$ (826,681)	$ 2,685	$ (823,996)

See accompanying notes to consolidated financial statements.

FALCON COMMUNICATIONS, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	PERIOD FROM JANUARY 1, 1999 TO NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)		
Cash flows from operating activities:			
Net loss	$(60,838)	$ (144,483)	$ (198,832)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Payment-in-kind interest expense	20,444	--	--
Amortization of debt discount	--	19,342	24,103
Depreciation and amortization	118,856	152,585	196,260
Amortization of deferred loan costs	2,192	2,526	1,782
Compensation funded by Managing General Partner	--	--	70,723
Write-off deferred loan costs	--	10,961	(4)
Gain on sale of cable system	--	--	(11,069)
Casualty (gain) loss	(3,476)	(314)	69
Equity in net (income) loss of investee partnerships	(443)	176	41
Provision for losses on receivables, net of recoveries	5,714	4,775	4,510
Deferred income taxes	(2,748)	1,111	(271)
Other	1,319	278	348
Increase (decrease) from changes in:			
Receivables	(9,703)	(1,524)	(6,114)
Other assets	(4,021)	906	(7,194)
Accounts payable	(1,357)	337	6,450
Accrued expenses and due to affiliate	13,773	24,302	(11,634)
Customer deposits and prepayments	(175)	633	5,813
Net cash provided by operating activities	79,537	71,611	74,981
Cash flows from investing activities:			
Capital expenditures	(76,323)	(96,367)	(126,548)
Increase in intangible assets	(1,770)	(7,124)	(3,344)
Acquisitions of cable television systems	--	(83,391)	(27,161)
Cash acquired in connection with the acquisition of TCI and Falcon Video Communications, L.P.	--	317	--
Proceeds from sale of cable system	--	--	3,178
Assets retained by the Managing General Partner	--	(3,656)	--
Other	1,806	1,893	(1,871)
Net cash used in investing activities	(76,287)	(188,328)	(155,746)
Cash flows from financing activities:			
Borrowings from notes payable	37,500	2,388,607	1,153,250
Repayment of debt	(40,722)	(2,244,752)	(1,076,871)
Deferred loan costs	(29)	(25,684)	(70)
Capital contributions	93	--	--
Redemption of partners' interests	--	(1,170)	--
Minority interest capital contributions	192	83	167
Net cash provided by (used in) financing activities	(2,966)	117,084	76,476
Increase (decrease) in cash and cash equivalents	284	367	(4,289)
Cash and cash equivalents, at beginning of period	13,633	13,917	14,284
Cash and cash equivalents, at end of period	$ 13,917	$ 14,284	$ 9,995

See accompanying notes to consolidated financial statements.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 -- SUMMARY OF ACCOUNTING POLICIES

FORM OF PRESENTATION

Falcon Communications, L.P. ("FCLP"), a California limited partnership (the "Partnership") and successor to Falcon Holding Group, L.P. ("FHGLP"), owned and operated cable television systems serving small to medium-sized communities and the suburbs of certain cities in 23 states through November 12, 1999. On September 30, 1998, pursuant to a Contribution and Purchase Agreement dated as of December 30, 1997, as amended (the "Contribution Agreement"), FHGLP acquired the assets and liabilities of Falcon Video Communications, L.P. ("Falcon Video"), in exchange for ownership interests in FHGLP. Simultaneously with the closing of that transaction, in accordance with the Contribution Agreement, FHGLP contributed substantially all of the existing cable television system operations owned by FHGLP and its subsidiaries (including the Falcon Video Systems) to the Partnership and TCI Falcon Holdings, LLC ("TCI") contributed certain cable television systems owned and operated by affiliates of TCI (the "TCI Systems") to the Partnership (the "TCI Transaction"). As a result, Tele-Communications, Inc. held approximately 46% of the equity interest of the Partnership and FHGLP owned the remaining 54% and served as the managing general partner of the Partnership. The TCI Transaction has been accounted for as a recapitalization of FHGLP into the Partnership and the concurrent acquisition by the Partnership of the TCI systems. In March 1999, AT&T and Tele-Communications, Inc. completed a merger under which Tele-Communications, Inc. became a unit of AT&T called AT&T Broadband & Internet Services, which became a general partner of FCLP as a result of a merger.

On November 12, 1999, Charter Communications Holding Company, LLC ("Charter") acquired the Partnership in a cash and stock transaction valued at approximately $3.6 billion, including assumption of liabilities. Upon closing of the transaction, the Partnership was merged with CC VII Holdings, LLC, a Delaware limited liability company and successor to FCLP.

The consolidated financial statements include the accounts of the Partnership and its subsidiary holding companies and cable television operating partnerships and corporations, which include Falcon Cable Communications LLC ("Falcon LLC"), a Delaware limited liability company that serves as the general manager of the cable television subsidiaries. Such statements reflect balances immediately prior to the acquisition transaction. The assets contributed by FHGLP in 1998 to the Partnership excluded certain immaterial investments, principally FHGLP's ownership of 100% of the outstanding stock of Enstar Communications Corporation ("ECC"), which is the general partner and manager of fifteen limited partnerships operating under the name "Enstar." ECC's ownership interest in the Enstar partnerships ranges from 0.5% to 5%. Upon the consummation of the TCI Transaction, the management of the Enstar partnerships was assigned to the Partnership by FHGLP. The consolidated statements of operations and statements of cash flows for the year ended December 31, 1998 include FHGLP's interest in ECC for the nine months ended September 30, 1998. The effects of ECC's operations on all previous periods presented are immaterial. On November 12, 1999, Charter acquired ECC.

FHGLP also controlled, held varying equity interests in and managed certain other cable television partnerships (the "Affiliated Partnerships") for a fee. FHGLP is a limited partnership, the sole general partner of which is Falcon Holding Group, Inc., a California corporation ("FHGI"). FHGI also holds a 1% interest in certain of the subsidiaries of the Partnership. At the beginning of 1998, the Affiliated Partnerships were comprised of Falcon Classic Cable Income Properties, L.P. ("Falcon Classic") whose cable television systems are referred to as the "Falcon Classic Systems," Falcon Video and the Enstar partnerships. As discussed in Note 3, the Falcon Classic Systems were acquired by FHGLP during 1998. The Falcon Video Systems were acquired on September 30, 1998 in connection with the TCI Transaction. As a result of these transactions, the Affiliated Partnerships consist solely of the Enstar partnerships from October 1, 1998 forward.

NOTE 1 -- SUMMARY OF ACCOUNTING POLICIES -- (CONTINUED)

All significant intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements do not give effect to any assets that the partners may have outside their interests in the Partnership, nor to any obligations, including income taxes, of the partners.

CASH EQUIVALENTS

For purposes of the consolidated statements of cash flows, the Partnership considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 1997 and 1998 included $4.5 million and $345,000 of investments in commercial paper and short-term investment funds of major financial institutions. There were no such cash equivalents at November 12, 1999.

INVESTMENTS IN AFFILIATED PARTNERSHIPS

Prior to closing the TCI Transaction, the Partnership was the general partner of certain entities, which in turn acted as general partner of the Affiliated Partnerships. The Partnership's effective ownership interests in the Affiliated Partnerships were less than one percent. The Affiliated Partnerships were accounted for using the equity method of accounting. Equity in net losses were recorded to the extent of the investments in and advances to the partnerships plus obligations for which the Partnership, as general partner, was responsible. The liabilities of the Affiliated Partnerships, other than amounts due the Partnership, principally consisted of debt for borrowed money and related accrued interest. The Partnership's ownership interests in the Affiliated Partnerships were eliminated in 1998 with the acquisition of Falcon Video and Falcon Classic and the retention by FHGLP of its interests in the Enstar partnerships.

PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION AND AMORTIZATION

Property, plant and equipment are stated at cost. Direct costs associated with installations in homes not previously served by cable are capitalized as part of the distribution system, and reconnects are expensed as incurred. For financial reporting, depreciation and amortization is computed using the straight-line method over the following estimated useful lives.

CABLE TELEVISION SYSTEMS:	
Headend buildings and equipment............................	10-16 years
Trunk and distribution.....................................	5-15 years
Microwave equipment..	10-15 years
OTHER:	
Furniture and equipment....................................	3-7 years
Vehicles...	3-10 years
Leasehold improvements.....................................	Life of lease

FRANCHISE COST AND GOODWILL

The excess of cost over the fair values of tangible assets and customer lists of cable television systems acquired represents the cost of franchises and goodwill. In addition, franchise cost includes capitalized costs incurred in obtaining new franchises and in the renewal of existing franchises. These costs are amortized using the straight-line method over the lives of the franchises, ranging up to 28 years (composite 15 year average). Goodwill is amortized over 20 years. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 -- SUMMARY OF ACCOUNTING POLICIES -- (CONTINUED)

CUSTOMER LISTS AND OTHER INTANGIBLE COSTS

Customer lists and other intangible costs include customer lists, covenants not to compete and organization costs which are amortized using the straight-line method over two to five years.

DEFERRED LOAN COSTS

Costs related to borrowings are capitalized and amortized to interest expense over the life of the related loan.

RECOVERABILITY OF ASSETS

The Partnership assesses on an ongoing basis the recoverability of intangible assets (including goodwill) and capitalized plant assets based on estimates of future undiscounted cash flows compared to net book value. If the future undiscounted cash flow estimates were less than net book value, net book value would then be reduced to estimated fair value, which generally approximates discounted cash flows. The Partnership also evaluates the amortization periods of assets, including goodwill and other intangible assets, to determine whether events or circumstances warrant revised estimates of useful lives.

REVENUE RECOGNITION

Revenues from customer fees, equipment rental and advertising are recognized in the period that services are delivered. Installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable television system. Management fees are recognized on the accrual basis based on a percentage of gross revenues of the respective cable television systems managed. Effective October 1, 1998, 20% of the management fees from the Enstar partnerships was retained by FHGLP.

DERIVATIVE FINANCIAL INSTRUMENTS

As part of the Partnership's management of financial market risk and as required by certain covenants in its New Credit Agreement, the Partnership enters into various transactions that involve contracts and financial instruments with off-balance-sheet risk, principally interest rate swap and interest rate cap agreements. The Partnership enters into these agreements in order to manage the interest-rate sensitivity associated with its variable-rate indebtedness. The differential to be paid or received in connection with interest rate swap and interest rate cap agreements is recognized as interest rates change and is charged or credited to interest expense over the life of the agreements. Gains or losses for early termination of those contracts are recognized as an adjustment to interest expense over the remaining portion of the original life of the terminated contract.

INCOME TAXES

The Partnership and its subsidiaries, except for Falcon First, Inc., are limited partnerships or limited liability companies and pay no income taxes as entities except for nominal taxes assessed by certain state jurisdictions. All of the income, gains, losses, deductions and credits of the Partnership are passed through to its partners. The basis in the Partnership's assets and liabilities differs for financial and tax reporting purposes. At November 12, 1999, the book basis of the Partnership's net assets exceeded its tax basis by $623 million.

ADVERTISING COSTS

All advertising costs are expensed as incurred.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 -- SUMMARY OF ACCOUNTING POLICIES -- (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 -- PARTNERSHIP MATTERS

The Amended and Restated Agreement of Limited Partnership of FCLP ("FCLP Partnership Agreement") provided that profits and losses will be allocated, and distributions will be made, in proportion to the partners' percentage interests. Prior to November 13, 1999, FHGLP was the managing general partner and a limited partner and owned a 54% interest in FCLP, and Tele-Communications, Inc. was a general partner and owned a 46% interest. The partners' percentage interests were based on the relative net fair market values of the assets contributed to FCLP under the Contribution Agreement, as estimated at the closing. The percentage interests were subsequently adjusted to reflect the December 1998 redemption of a small part of FHGLP's partnership interest.

Through the closing of the sale to Charter, FCLP was required, under certain circumstances, on or after April 1, 2006, to purchase the interests of the non-management limited partners of FHGLP at their then fair value. The estimated redemption value at December 31, 1998 was $133 million and was reflected in the consolidated financial statements as redeemable partners' equity. Such amount was determined based on management's estimate of the relative fair value of such interests under then current market conditions. These limited partners were redeemed from their portion of the Charter sale proceeds as of November 12, 1999 for $424 million, which amount is shown as redeemable partners' equity at that date.

The Partnership assumed the obligations of FHGLP under the 1993 Incentive Performance Plan (the "Incentive Performance Plan"), but FHGLP funded this obligation from its portion of the Charter sale proceeds. See Note 8.

NOTE 3 -- ACQUISITIONS AND SALES

In March and July 1998, FHGLP acquired the Falcon Classic Systems for an aggregate purchase price of $83.4 million. Falcon Classic had revenue of approximately $20.3 million for the year ended December 31, 1997.

As discussed in Note 1, on September 30, 1998 the Partnership acquired the TCI Systems and the Falcon Video Systems in accordance with the Contribution Agreement.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 -- ACQUISITIONS AND SALES -- (CONTINUED)

Sources and uses of funds for each of the transactions were as follows:

	TCI SYSTEMS	FALCON CLASSIC SYSTEMS	FALCON VIDEO SYSTEMS
	(DOLLARS IN THOUSANDS)		
Sources of Funds:			
Cash on hand	$ 11,429	$ 59,038	$ 6,591
Advance under bank credit facilities	429,739	56,467	76,800
Total sources of funds	$441,168	$115,505	$83,391
Uses of Funds:			
Repay debt assumed from TCI and existing debt of Falcon Video, including accrued interest	$429,739	$115,505	$ --
Purchase price of assets	--	--	83,391
Payment of assumed obligations at closing	6,495	--	--
Transaction fees and expenses	2,879	--	--
Available funds	2,055	--	--
Total uses of funds	$441,168	$115,505	$83,391

The following unaudited condensed consolidated statements of operations present the consolidated results of operations of the Partnership as if the acquisitions referred to above had occurred at the beginning of the periods presented and are not necessarily indicative of what would have occurred had the acquisitions been made as of such dates or of results which may occur in the future.

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998
	(DOLLARS IN THOUSANDS)	
Revenues	$ 424,994	$ 426,827
Expenses	(438,623)	(444,886)
Operating loss	(13,629)	(18,059)
Interest and other expenses	(115,507)	(130,632)
Loss before extraordinary item	$(129,136)	$(148,691)

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 -- ACQUISITIONS AND SALES -- (CONTINUED)

The acquisitions of the TCI Systems, the Falcon Video Systems and the Falcon Classic Systems were accounted for by the purchase method of accounting, whereby the purchase prices were allocated to the assets acquired and liabilities assumed based on their estimated fair values at the dates of acquisition, as follows:

	TCI SYSTEMS	FALCON VIDEO SYSTEMS	FALCON CLASSIC SYSTEMS
	(DOLLARS IN THOUSANDS)		
Purchase Price:			
General partnership interests issued	$234,457	$ 43,073	$ --
Debt assumed	275,000	112,196	--
Debt incurred	--	--	83,391
Other liabilities assumed	955	3,315	2,804
Transaction costs	2,879	--	--
	513,291	158,584	86,195
Fair Market Value of Net Assets Acquired:			
Property, plant and equipment	77,992	41,889	33,539
Franchise costs	170,799	36,374	7,847
Customer lists and other intangible assets	217,443	53,602	34,992
Other assets	4,165	2,381	3,164
	470,399	134,246	79,542
Excess of purchase price over fair value of assets acquired and liabilities assumed	$ 42,892	$ 24,338	$ 6,653

The excess of purchase price over the fair value of net assets acquired has been recorded as goodwill and is being amortized using the straight-line method over 20 years.

The general partnership interests issued in the TCI Transaction were valued in proportion to the estimated fair value of the TCI Systems and the Falcon Video Systems as compared to the estimated fair value of the Partnership's assets, which was agreed upon in the Contribution Agreement by all holders of Partnership interests.

In January 1999, the Partnership acquired the assets of certain cable systems serving approximately 591 customers in Oregon for $801,000. On March 15, 1999, the Partnership acquired the assets of certain cable systems serving approximately 7,928 customers in Utah for $6.8 million. On March 22, 1999, the Partnership acquired the assets of the Franklin, Virginia system in exchange for the assets of its Scottsburg, Indiana systems and $8 million in cash and recognized a gain of $8.5 million. The Franklin system serves approximately 9,042 customers and the Scottsburg systems served approximately 4,507 customers. On July 30, 1999, the Partnership acquired the assets of certain cable systems serving approximately 6,500 customers in Oregon for $9.5 million.

On March 1, 1999, the Partnership contributed $2.4 million cash and certain systems located in Oregon with a net book value of $5.6 million to a joint venture with Bend Cable Communications, Inc., which manages the joint venture. The Partnership owns 17% of the joint venture. These systems had been acquired from Falcon Classic in March 1998, and served approximately 3,471 subscribers at March 1, 1999. On March 26, 1999, the Partnership sold certain systems serving approximately 2,550 subscribers in Kansas for $3.0 million and recognized a gain of $2.4 million. The effects of these transactions on results of operations are not material.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 -- DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents

The carrying amount approximates fair value due to the short maturity of those instruments.

Notes Payable

The fair value of the Partnership's 8.375% Senior Debentures and 9.285% Senior Discount Debentures is based on quoted market prices for those issues of debt as of December 31, 1998. The fair value at December 31, 1999 is based on the redemption amounts paid by Charter to retire the obligations after the acquisition by Charter. The fair value of the Partnership's other subordinated notes is based on quoted market prices for similar issues of debt with similar maturities. The carrying amount of the Partnership's remaining debt outstanding approximates fair value due to its variable rate nature.

Interest Rate Hedging Agreements

The fair value of interest rate hedging agreements is estimated by obtaining quotes from brokers as to the amount either party would be required to pay or receive in order to terminate the agreements.

The following table depicts the fair value of each class of financial instruments for which it is practicable to estimate that value as of December 31:

	DECEMBER 31, 1998		NOVEMBER 12, 1999	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	(DOLLARS IN THOUSANDS)			
Cash and cash equivalents	$ 14,284	$ 14,284	$ 9,995	$ 9,995
Notes payable (Note 6):				
8.375% Senior Debentures	375,000	382,500	375,000	378,750
9.285% Senior Discount Debentures	294,982	289,275	319,085	321,459
Bank credit facilities	926,000	926,000	1,017,750	1,017,750
Other Subordinated Notes	15,000	16,426	--	--
Other	371	371	--	--

	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
Interest Rate Hedging Agreements (Note 6):				
Interest rate swaps	$1,534,713	$ (22,013)	$1,279,713	$ 22,518

The carrying value of interest rate swaps was a net obligation of $9.3 million at December 31, 1998 and $9 million at November 12, 1999. See Note 6(e). The amount of debt on which current interest expense has been affected is $960 million and $745 million for swaps at December 31, 1998 and November 12, 1999, respectively. The balance of the contract totals presented above reflects contracts entered into as of November 12, 1999 which do not become effective until existing contracts expire.

NOTE 5 -- PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

	DECEMBER 31, 1998	NOVEMBER 12, 1999
	(DOLLARS IN THOUSANDS)	
Cable television systems	$765,641	$862,889
Furniture and equipment	25,576	29,514
Vehicles	18,381	19,835
Land, buildings and improvements	16,505	16,568
	826,103	928,806
Less accumulated depreciation and amortization	(320,209)	(374,955)
	$505,894	$553,851

NOTE 6 -- NOTES PAYABLE

Notes payable consist of:

	DECEMBER 31, 1998	NOVEMBER 12, 1999
	(DOLLARS IN THOUSANDS)	
FCLP Only:		
8.375% Senior Debentures(a)	$ 375,000	$ 375,000
9.285% Senior Discount Debentures, less unamortized discount(a)	294,982	319,085
Owned Subsidiaries:		
Credit Facility(b)	926,000	--
Amended and Restated Credit Agreement(c)	--	1,017,750
Other subordinated notes(d)	15,000	--
Other	371	--
	$1,611,353	$1,711,835

(a) 8.375% SENIOR DEBENTURES AND 9.285% SENIOR DISCOUNT DEBENTURES

On April 3, 1998, FHGLP and its wholly-owned subsidiary, Falcon Funding Corporation ("FFC" and, collectively with FHGLP, the "Issuers"), sold $375,000,000 aggregate principal amount of 8.375% Senior Debentures due 2010 (the "Senior Debentures") and $435,250,000 aggregate principal amount at maturity of 9.285% Senior Discount Debentures due 2010 (the "Senior Discount Debentures" and, collectively with the Senior Debentures, the "Debentures") in a private placement. The Debentures were exchanged for debentures with the same form and terms, but registered under the Securities Act of 1933, as amended, in August 1998.

In connection with consummation of the TCI Transaction, the Partnership was substituted for FHGLP as an obligor under the Debentures and thereupon FHGLP was released and discharged from any further obligation with respect to the Debentures and the related Indenture. FFC remains as an obligor under the Debentures and is now a wholly owned subsidiary of the Partnership. FFC was incorporated solely for the purpose of serving as a co-issuer of the Debentures and does not have any material operations or assets and will not have any revenues.

The Senior Discount Debentures were issued at a price of 63.329% per $1,000 aggregate principal amount at maturity, for total gross proceeds of approximately $275.6 million, and will accrete to stated value at an

NOTE 6 -- NOTES PAYABLE -- (CONTINUED)

annual rate of 9.285% until April 15, 2003. The unamortized discount amounted to $140.3 million at December 31, 1998 and $116.2 at November 12, 1999, respectively. After giving effect to offering discounts, commissions and estimated expenses of the offering, the sale of the Debentures (representing aggregate indebtedness of approximately $650.6 million as of the date of issuance) generated net proceeds of approximately $631 million. The Partnership used substantially all the net proceeds from the sale of the Debentures to repay outstanding bank indebtedness.

(b) CREDIT FACILITY

On June 30, 1998, the Partnership entered into a $1.5 billion senior credit facility (the "Credit Facility") which replaced its earlier credit facility and provided funds for the closing of the TCI Transaction. See Note 1. The borrowers under the Credit Facility were the operating subsidiaries prior to consummation of the TCI Transaction and, following the TCI Transaction, the borrower is Falcon LLC. The restricted companies, as defined under the Credit Facility, are Falcon LLC and each of its subsidiaries (excluding certain subsidiaries designated as excluded companies from time to time) and each restricted company (other than Falcon LLC) is also a guarantor of the Credit Facility.

The Credit Facility consisted of three committed facilities (one revolver and two term loans) and one uncommitted $350 million supplemental credit facility (the terms of which will be negotiated at the time the Partnership makes a request to draw on such facility). Facility A is a $650 million revolving credit facility maturing December 29, 2006; Facility B is a $200 million term loan maturing June 29, 2007; and Facility C is a $300 million term loan maturing December 31, 2007. All of Facility C and approximately $126 million of Facility B were funded on June 30, 1998, and the debt outstanding under the Partnership's earlier credit facility of approximately $329 million was repaid. As a result, from June 30, 1998 until September 29, 1998, FHGLP had an excess cash balance of approximately $90 million. Immediately prior to closing the TCI Transaction, approximately $39 million was borrowed under Facility A to discharge certain indebtedness of Falcon Video. In connection with consummation of the TCI Transaction, Falcon LLC assumed the approximately $433 million of indebtedness outstanding under the Credit Facility. In addition to utilizing cash on hand of approximately $63 million, Falcon LLC borrowed the approximately $74 million remaining under Facility B and approximately $366 million under Facility A to discharge approximately $73 million of Falcon Video indebtedness and to retire approximately $430 million of TCI indebtedness assumed as part of the contribution of the TCI Systems. As a result of these borrowings, the amount outstanding under the Credit Facility at December 31, 1998 was $926 million. Subject to covenant limitations, the Partnership had available to it additional borrowing capacity thereunder of $224 million at December 31, 1998. However, limitations imposed by the Partnership's partnership agreement, as amended, would limit available borrowings at December 31, 1998 to $23.1 million.

(c) AMENDED AND RESTATED CREDIT AGREEMENT

On November 12, 1999, the Partnership amended the Credit Facility with the Amended and Restated Credit Agreement (the "Amended Agreement") providing for a $1.85 billion senior credit facility. The Amended Agreement consists of four committed facilities (two revolvers and two term loans) and one uncommitted $590 million supplemental credit facility (the terms of which will be negotiated at the time the Partnership makes a request to draw on such facility). Facility A is a $646 million revolving credit facility maturing December 29, 2006; Facility B is a $200 million term loan maturing June 29, 2007; Facility C is a $300 million term loan maturing December 31, 2007; and Facility D is a $110 million supplemental revolving credit facility maturing on December 31, 2007. As a result of borrowings, the amount outstanding under the Amended Agreement at November 12, 1999 was $1.018 billion. The Partnership had available to it additional borrowing capacity thereunder of $235 million. However debt covenants limit the amount that can be

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 -- NOTES PAYABLE -- (CONTINUED)

borrowed to $205 million at November 12, 1999, which was subject to limitations imposed by the Partnership's partnership agreement. Charter paid the lenders a fee of $2 million to obtain the Amended Agreement.

(d) OTHER SUBORDINATED NOTES

Other subordinated notes consisted of 11.56% Subordinated Notes due March 2001. The subordinated notes were repaid by Charter on November 12, 1999 with accrued interest of $202,000 and a prepayment premium of $1,143,000.

(e) INTEREST RATE HEDGING AGREEMENTS

The Partnership utilizes interest rate hedging agreements to establish long-term fixed interest rates on a portion of its variable-rate debt. The Amended Agreement requires that interest be tied to the ratio of consolidated total debt to consolidated annualized cash flow (in each case, as defined therein), and further requires that the Partnership maintain hedging arrangements with respect to at least 50% of the outstanding borrowings thereunder plus any additional borrowings of the Partnership, including the Debentures, for a two year period. As of November 12, 1999, borrowings under the Amended Agreement bore interest at an average rate of 7.51% (including the effect of interest rate hedging agreements). The Partnership has entered into fixed interest rate hedging agreements with an aggregate notional amount at November 12, 1999 of $1.28 billion. Agreements in effect at November 12, 1999 totaled $745 million, with the remaining $535 million to become effective as certain of the existing contracts mature from 2000 through October 2004. These agreements expire at various times through October 2006.

The hedging agreements resulted in additional interest expense of $350,000, $1.2 million and $3.9 million for the years ended December 31, 1997 and 1998 and for the period from January 1, 1999 to November 12, 1999, respectively. The Partnership does not believe that it has any significant risk of exposure to non-performance by any of its counterparties.

(f) DEBT MATURITIES

The Partnership's notes payable outstanding at November 12, 1999 mature as follows:

YEAR	8.375% SENIOR DEBENTURES	9.285% SENIOR DEBENTURES	NOTES TO BANKS	TOTAL
		(DOLLARS IN THOUSANDS)		
2000	$ --	$ --	$ 5,000	$ 5,000
2001	--	--	5,000	5,000
2002	--	--	5,000	5,000
2003	--	--	5,000	5,000
2004	--	--	5,000	5,000
Thereafter	$375,000	$435,250	$992,750	$1,803,000

(G) EXTRAORDINARY ITEM

Fees and expenses incurred in connection with the repurchase of the Partnership's 11% Notes (the "Notes") on May 19, 1998 and the retirement of the remaining Notes on September 15, 1998 were $19.7 million in the aggregate. In addition, the unamortized portion of deferred loan costs related to the Notes and a previous credit facility, which amounted to $10.9 million in the aggregate, were written off as an extraordinary charge upon the extinguishment of the related debt in 1998.

NOTE 7 -- COMMITMENTS AND CONTINGENCIES

The Partnership leases land, office space and equipment under operating leases expiring at various dates through the year 2039. See Note 9.

Future minimum rentals for operating leases at November 12, 1999 are as follows:

YEAR	TOTAL (DOLLARS IN THOUSANDS)
1999	$ 353
2000	2,904
2001	2,527
2002	2,132
2003	1,232
Thereafter	4,612
	$13,760

In most cases, management expects that, in the normal course of business, these leases will be renewed or replaced by other leases. Rent expense amounted to $2.4 million in 1997, $3.1 million in 1998 and $3.6 million for the period from January 1, 1999 to November 12, 1999.

In addition, the Partnership rents line space on utility poles in some of the franchise areas it serves. These rentals amounted to $3.1 million for 1997, $3.9 million for 1998 and $4.5 million for the period from January 1, 1999 to November 12, 1999. Generally, such pole rental agreements are short-term; however, the Partnership anticipates such rentals will continue in the future.

Beginning in August 1997, the Partnership elected to self-insure its cable distribution plant and subscriber connections against property damage as well as possible business interruptions caused by such damage. The decision to self-insure was made due to significant increases in the cost of insurance coverage and decreases in the amount of insurance coverage available. In October 1998, the Partnership reinstated third party insurance coverage against damage to its cable distribution plant and subscriber connections and against business interruptions resulting from such damage. This coverage is subject to a significant annual deductible and is intended to limit the Partnership's exposure to catastrophic losses, if any, in future periods. Management believes that the relatively small size of the Partnership's markets in any one geographic area, coupled with their geographic separation, will mitigate the risk that the Partnership could sustain losses due to seasonal weather conditions or other events that, in the aggregate, could have a material adverse effect on the Partnership's liquidity and cash flows. The Partnership continues to purchase insurance coverage in amounts management views as appropriate for all other property, liability, automobile, workers' compensation and other types of insurable risks.

The Partnership is required under various franchise agreements at November 12, 1999 to rebuild certain existing cable systems at a cost of approximately $125.4 million.

The Partnership is regulated by various federal, state and local government entities. The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), provides for among other things, federal and local regulation of rates charged for basic cable service, cable programming service tiers ("CPSTs") and equipment and installation services. Regulations issued in 1993 and significantly amended in 1994 by the Federal Communications Commission (the "FCC") have resulted in changes in the rates charged for the Partnership's cable services. The Partnership believes that compliance with the 1992 Cable Act has had a negative impact on its operations and cash flow. It also presently believes that any potential future liabilities for refund claims or other related actions would not be material. The Telecommunications Act of 1996 (the "1996 Telecom Act") was signed into law on February 8, 1996. As it pertains to cable television,

NOTE 7 -- COMMITMENTS AND CONTINGENCIES -- (CONTINUED)
the 1996 Telecom Act, among other things, (i) ends the regulation of certain CPSTs in 1999; (ii) expands the definition of effective competition, the existence of which displaces rate regulation; (iii) eliminates the restriction against the ownership and operation of cable systems by telephone companies within their local exchange service areas; and (iv) liberalizes certain of the FCC's cross-ownership restrictions.

The Partnership has various contracts to obtain basic and premium programming from program suppliers whose compensation is generally based on a fixed fee per customer or a percentage of the gross receipts for the particular service. Some program suppliers provide volume discount pricing structures or offer marketing support to the Partnership. The Partnership's programming contracts are generally for a fixed period of time and are subject to negotiated renewal. The Partnership does not have long-term programming contracts for the supply of a substantial amount of its programming. Accordingly, no assurances can be given that the Partnership's programming costs will not continue to increase substantially or that other materially adverse terms will not be added to the Partnership's programming contracts. Management believes, however, that the Partnership's relations with its programming suppliers generally are good.

Effective December 1, 1998, the Partnership elected to obtain certain of its programming services through an affiliate of TCI. This election resulted in a reduction in the Partnership's programming costs, the majority of which will be passed on to its customers in the form of reduced rates in compliance with FCC rules. The Partnership has elected to continue to acquire its remaining programming services under its existing programming contracts. The Partnership, in the normal course of business, purchases cable programming services from certain program suppliers owned in whole or in part by an affiliate of TCI.

The Partnership is periodically a party to various legal proceedings. Such legal proceedings are ordinary and routine litigation proceedings that are incidental to the Partnership's business, and management presently believes that the outcome of all pending legal proceedings will not, individually or in the aggregate, have a material adverse effect on the financial condition of the Partnership.

The Partnership, certain of its affiliates, and certain third parties were named as defendants in an action entitled Frank O'Shea I.R.A. et al. v. Falcon Cable Systems Company, et al., Case No. BC 147386, in the Superior Court of the State of California, County of Los Angeles (the "Action"). Plaintiffs in the Action were certain former unitholders of Falcon Cable Systems Company ("FCSC") purporting to represent a class consisting of former unitholders of FCSC other than those affiliated with FCSC and/or its controlling persons. The complaint in the Action alleged, among other things, that defendants breached their fiduciary and contractual duties to unitholders, and acted negligently, with respect to the purchase from former unitholders of their interests in FCSC in 1996. A settlement of the action was approved by the court in May 1999 and has become effective. The terms of the settlement did not have a material adverse effect on the financial condition of the Partnership. Net of insurance proceeds, the settlement's cost to the Partnership amounted to approximately $2.9 million. The Partnership recognized expenses related to the settlement of $145,000, $2.5 million and $166,000 in 1997, 1998, and for the period from January 1, 1999 to November 12, 1999, respectively.

In various states, customers have filed punitive class action lawsuits on behalf of all persons residing in those states who are or were customers of the Partnership's cable television service, and who have been charged a fee for delinquent payment of their cable bill. The actions challenge the legality of the processing fee and seek declaratory judgment, injunctive relief and unspecified damages. At this stage, the Partnership is not able to project the outcome of the actions.

NOTE 8 -- EMPLOYEE BENEFIT PLANS

The subsidiaries of the Partnership have a cash or deferred profit sharing plan (the "Profit Sharing Plan") covering substantially all of their employees. FHGLP joined in the adoption of the FHGI cash or

NOTE 8 -- EMPLOYEE BENEFIT PLANS -- (CONTINUED)
deferred profit sharing plan as of March 31, 1993. The provisions of this plan were amended to be substantially identical to the provisions of the Profit Sharing Plan.

The Profit Sharing Plan provides that each participant may elect to make a contribution in an amount up to 20% of the participant's annual compensation which otherwise would have been payable to the participant as salary. The Partnership's contribution to the Profit Sharing Plan, as determined by management, is discretionary but may not exceed 15% of the annual aggregate compensation (as defined) paid to all participating employees. Effective January 1, 1999 the Profit Sharing Plan was amended, whereby the Partnership would make an employer contribution equal to 100% of the first 3% and 50% of the next 2% of the participant's contributions, respectively. There were no contributions for the Profit Sharing Plan in 1997 or 1998. The partnership contributed $1.0 million during the period from January 1, 1999 to November 12, 1999.

On September 30 1998, the Partnership assumed the obligations of FHGLP for its 1993 Incentive Performance Plan (the "Incentive Plan"). The value of the interests in the Incentive Plan was tied to the equity value of certain partnership units in FHGLP held by FHGI. In connection with the assumption by the Partnership, FHGLP agreed to fund any benefits payable under the Incentive Plan through additional capital contributions to the Partnership, the waiver of its rights to receive all or part of certain distributions from the Partnership and/or a contribution of a portion of its partnership units to the Partnership. The benefits which were payable under the Incentive Plan are equal to the amount of distributions which FHGI would have otherwise received with respect to 1,932.67 of the units of FHGLP held by FHGI and a portion of FHGI's interest in certain of the partnerships that are the general partners of the Partnership's operating subsidiaries. Benefits were payable under the Incentive Plan only when distributions would otherwise be paid to FHGI with respect to the above-described units and interests.

In 1999, the Partnership adopted a Restricted Unit Plan (the "New FCLP Incentive Plan" or "Plan") for the benefit of certain employees. Grants of restricted units are provided at the discretion of the Advisory Committee. The value of the units in the New FCLP Incentive Plan is tied to the equity value of FCLP above a base equity as determined initially in 1999 by the partners, and for grants in subsequent years by an appraisal. Benefits are payable under the New FCLP Incentive Plan only when distributions would otherwise be payable to equity holders of FCLP. An initial grant of 100,000 units representing 2.75% of the equity of FCLP in excess of the equity base was approved and will be allocated to the participants in the Plan. There is a five-year vesting requirement for all participants.

In connection with the sale of the Partnership to Charter discussed in Note 1, the Partnership recorded compensation expense in the amount of approximately $46.4 million related to both the Incentive Plan ($21 million) and the New FCLP Incentive Plan ($25.4 million). The amount was determined based on the value of the underlying ownership units, as established by the sale of the Partnership to Charter, and on estimated closing working capital and debt balances of the Partnership. The Partnership paid $33 million on November 12, 1999 to certain employees. The payments were funded by net proceeds of the sale. The Partnership transferred its remaining liability approximating $13.4 million to FHGLP who will make the final payments under the plans. The participants in the Incentive Plan were present and former employees of the Partnership, FHGLP and its operating affiliates, all of whom were 100% vested. Prior to the closing of the TCI Transaction, FHGLP amended the Incentive Plan to provide for payments by FHGLP at the closing of the TCI Transaction to participants in an aggregate amount of approximately $6.5 million and to reduce by such amount FHGLP's obligations to make future payments to participants under the Incentive Plan.

In addition to the amounts expensed pursuant to the equity plans, the Partnership recorded bonuses to certain employees in the aggregate amount of $20 million upon the closing of the sale to Charter. The Partnership also recorded employee severance and other compensation aggregating $4.2 million. The Partnership paid $11.8 million on November 12, 1999 to certain employees. The payments were funded by net

NOTE 8 -- EMPLOYEE BENEFIT PLANS -- (CONTINUED)

proceeds of the sale. The Partnership transferred its remaining liability approximating $12.4 million to FHGLP who will make the final payment. The aggregate amount of expenses recorded under benefit plans and severance and other compensation of $70.7 million was recorded as a capital contribution, as FHGLP's share of the proceeds from the sale have been, or will be, used to fund such obligations.

NOTE 9 -- RELATED PARTY TRANSACTIONS

The Partnership is a separate, stand-alone holding company which employs all of the management personnel. The Partnership is financially dependent on the receipt of permitted payments from its operating subsidiaries, management and consulting fees from domestic cable ventures, and the reimbursement of specified expenses by certain of the Affiliated Partnerships to fund its operations. Expected increases in the funding requirements of the Partnership combined with limitations on its sources of cash may create liquidity issues for the Partnership in the future. Specifically, the Credit Facility permitted the subsidiaries of the Partnership to remit to the Partnership no more than 4.25% of their net cable revenues, as defined, in any year. Beginning on January 1, 1999, this limitation was increased to 4.5% of net cable revenues in any year. As a result of the 1998 acquisition by the Partnership of the Falcon Classic and Falcon Video Systems, the Partnership will no longer receive management fees and reimbursed expenses from Falcon Classic or receive management fees from Falcon Video. Commencing on October 1, 1998, FHGLP retains 20% of the management fees paid by the Enstar partnerships. The management fees earned from the Enstar partnerships were $2 million, $1.9 million and $1.4 million for the years ended December 31, 1997 and 1998 and for the period from January 1, 1999 to November 12, 1999, respectively.

The management and consulting fees and expense reimbursements earned from the Affiliated Partnerships amounted to approximately $5.2 million and $2.1 million, $3.7 million and $1.5 million and $1.4 million and $1.4 million for the years ended December 31, 1997 and 1998 and for the period ended November 12, 1999, respectively. The fees and expense reimbursements of $3.7 million and $1.5 million earned in 1998 included $191,000 and $128,000 earned from Falcon Classic from January 1, 1998 through July 16, 1998, and $1.2 million in management fees from Falcon Video from January 1, 1998 through September 30, 1998. Subsequent to these acquisitions, the amounts payable to the Partnership in respect of its management of the former Falcon Classic and Falcon Video systems became subject to the limitations contained in the Credit Facility.

Included in Commitments and Contingencies (Note 7) is a facility lease agreement with the Partnership's Chief Executive Officer and his wife, or entities owned by them, requiring annual future minimum rental payments aggregating $2.5 million through 2005. During the years ended December 31, 1997 and 1998 and for the period ended November 12, 1999, rent expense on the facility amounted to $383,000, $416,000 and $369,000, respectively. FCLP purchased a facility owned by the Partnership's Chief Executive Officer and his wife in February 1999 for $283,000 which was previously leased by FCLP.

In addition, the Partnership provides certain accounting, bookkeeping and clerical services to the Partnership's Chief Executive Officer. The costs of services provided were determined based on allocations of time plus overhead costs (rent, parking, supplies, telephone, etc.). Such services amounted to $163,000, $212,000 and $256,000 for the years ended December 31, 1997 and 1998 and for the period from January 1, 1999 to November 12, 1999, respectively. These costs were net of amounts reimbursed to the Partnership by the Chief Executive Officer amounting to $55,000, $72,000 and $77,000 for the years ended December 31, 1997 and 1998 and for the period from January 1, 1999 to November 12, 1999, respectively.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 -- OTHER INCOME (EXPENSE)

Other income (expense) is comprised of the following:

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	PERIOD FROM JANUARY 1, 1999 TO NOVEMBER 12, 1999
	(DOLLARS IN THOUSANDS)		
Gain (loss) on insured casualty losses	$ 3,476	$ 314	$ (69)
Gain on sale of system	--	--	10,671
Sale of system -- Falcon	--	--	(2,427)
Gain (loss) on sale of investment	(1,360)	174	--
Net lawsuit settlement costs	(1,030)	(2,614)	(166)
Other, net	(201)	(791)	53
	$ 885	$(2,917)	$ 8,062

NOTE 11 -- SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Operating activities

During the years ended December 31, 1997 and 1998 and the period from January 1, 1999 to November 12, 1999, FCLP paid cash interest amounting to approximately $48.1 million, $84.9 million and $93.9 million, respectively.

Investing activities

See Note 3 regarding the non-cash investing activities related to the acquisitions of the cable systems of the TCI Systems, the Falcon Video Systems and the Falcon Classic Systems. Also included in Note 3 are the non-cash investing activities related to the exchange of the Partnership's Scottsburg, Indiana system for a system in Franklin, Virginia.

Financing activities

See Note 3 regarding the non-cash financing activities relating to the acquisitions of the cable systems of the TCI Systems, the Falcon Video Systems and the Falcon Classic Systems. See Note 2 regarding the reclassification to redeemable partners' equity.

NOTE 12 -- FCLP (PARENT COMPANY ONLY)

The following parent-only condensed financial information presents Falcon Communications, L.P.'s balance sheets and related statements of operations and cash flows by accounting for the investments in its subsidiaries on the equity method of accounting. The accompanying condensed financial information should be read in conjunction with the consolidated financial statements and notes thereto.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FCLP (PARENT COMPANY ONLY) -- (CONTINUED)

CONDENSED BALANCE SHEET INFORMATION

	DECEMBER 31, 1998	NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)	
ASSETS:		
Cash and cash equivalents	$ 1,605	$ 3,363
Receivables:		
Intercompany notes and accrued interest receivable	655,128	674,409
Due from affiliates and other entities	2,129	108
Prepaid expenses and other	236	305
Property, plant and equipment, less accumulated depreciation and amortization	3,599	4,572
Deferred loan costs, less accumulated amortization	20,044	18,718
	$ 682,741	$ 701,475
LIABILITIES:		
Senior notes payable	$ 669,982	$ 694,085
Notes payable to affiliates	70,805	71,801
Accounts payable	135	340
Accrued expenses	14,000	10,432
Equity in net losses of subsidiaries in excess of investment	198,492	324,533
TOTAL LIABILITIES	953,414	1,101,191
REDEEMABLE PARTNERS' EQUITY	133,023	424,280
PARTNERS' DEFICIT	(403,696)	(823,996)
	$ 682,741	$ 701,475

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FCLP (PARENT COMPANY ONLY) -- (CONTINUED)

CONDENSED STATEMENT OF OPERATIONS INFORMATION

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	PERIOD FROM JANUARY 1, 1999 TO NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)		
REVENUES:			
Management fees:			
Affiliated Partnerships	$ 2,873	$ 2,120	$ 1,372
Subsidiaries	13,979	14,010	16,530
International and other	281	33	29
Total revenues	17,133	16,163	17,931
EXPENSES:			
General and administrative expenses	11,328	21,134	83,180
Depreciation and amortization	274	559	1,242
Total expenses	11,602	21,693	84,422
Operating income (loss)	5,531	(5,530)	(66,491)
OTHER INCOME (EXPENSE):			
Interest income	22,997	50,562	49,731
Interest expense	(30,485)	(59,629)	(56,861)
Equity in net losses of subsidiaries	(56,422)	(105,659)	(126,041)
Equity in net losses of investee partnerships	(4)	(31)	--
Other, net	(2,455)	--	830
Net loss before extraordinary item	(60,838)	(120,287)	(198,832)
Extraordinary item, retirement of debt	--	(24,196)	--
NET LOSS	$(60,838)	$(144,483)	$(198,832)

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 FCLP (PARENT COMPANY ONLY) -- (CONTINUED)

CONDENSED STATEMENT OF CASH FLOWS INFORMATION

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	PERIOD FROM JANUARY 1, 1999 TO NOVEMBER 12, 1999 (DATE OF DISPOSITION)
	(DOLLARS IN THOUSANDS)		
Net cash provided by (used in) Operating activities	$1,478	$(418,226)	$2,982
Cash flows from investing activities:			
Distributions from affiliated partnerships	--	1,820	--
Capital expenditures	(417)	(2,836)	(2,218)
Investments in affiliated partnerships and other investments	(254)	(2,998)	--
Proceeds from sale of investments and other assets	702	1,694	4
Assets retained by Falcon Holding Group, L.P.	--	(2,893)	--
Net cash provided by (used in) investing activities	31	(5,213)	(2,214)
Cash flows from financing activities:			
Repayment of debt	(131)	(282,203)	--
Borrowings from notes payable	--	650,639	--
Borrowings from subsidiaries	--	70,805	996
Capital contributions	93	--	--
Redemption of partners' equity	--	(1,170)	--
Deferred loan costs	--	(21,204)	(7)
Net cash provided by (used in) financing activities	(38)	416,867	989
Net increase (decrease) in cash and cash equivalents	1,471	(6,572)	1,757
Cash and cash equivalents, at beginning of period	6,706	8,177	1,605
Cash and cash equivalents, at end of period	$8,177	$ 1,605	$3,362

NOTE 13 -- VALUATION AND QUALIFYING ACCOUNTS

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COST AND EXPENSES(A)	DEDUCTIONS(B)	OTHER(C)	BALANCE AT END OF PERIOD
	(DOLLARS IN THOUSANDS)				
Allowance for possible losses on receivables					
Year ended December 31,					
1997	$907	$5,714	$(5,796)	--	$ 825
1998	$825	$4,775	$(5,299)	$369	$ 670
Period from January 1, 1999 to November 12, 1999	$670	$4,510	$(4,106)	--	$1,074

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(a) Provision for losses, net of recoveries.

(b) Write-off uncollectible accounts.

(c) Allowance for losses on receivables acquired in connection with the acquisition of Falcon Classic, Falcon Video and the TCI Systems.

FALCON COMMUNICATIONS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 -- YEAR 2000 (UNAUDITED)

In the prior years, the Partnership discussed the nature and progress of its plans to become Year 2000 ready. In late 1999, the Partnership completed its remediation and testing of systems. As a result of those planning and implementation efforts, the Partnership experienced no significant disruptions in mission critical information technology and non-information technology systems and believes those systems successfully responded to the Year 2000 date change. The Partnership expensed approximately $4.7 million during the period from January 1, 1999 to November 12, 1999 in connection with remediating its systems. The Partnership is not aware of any material problems resulting from Year 2000 issues, either with its products, its internal systems, or the products and services of third parties.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO CC V HOLDINGS, LLC:

We have audited the accompanying consolidated balance sheet of CC V Holdings, LLC and subsidiaries as of December 31, 1999, and the related consolidated statements of operations and cash flows for the period from November 15, 1999, through December 31, 1999, and the consolidated statements of operations, changes in shareholders' equity and cash flows for the period from January 1, 1999, through November 14, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CC V Holdings, LLC and subsidiaries as of December 31, 1999, and the results of their operations and their cash flows for the period from November 15, 1999, through December 31, 1999, and for the period from January 1, 1999, through November 14, 1999, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, substantially all of CC V Holdings, LLC was acquired by Charter Communications Holding Company, LLC as of November 15, 1999, in a business combination accounted for as a purchase. As a result of the application of purchase accounting, the consolidated financial statements of CC V Holdings, LLC and subsidiaries as of December 31, 1999, and for the Successor Period (November 15, 1999, through December 31, 1999), are presented on a different cost basis than financial statements presented for the Predecessor Period (January 1, 1999, through November 14, 1999), and accordingly, are not directly comparable.

/s/ ARTHUR ANDERSEN LLP

St. Louis, Missouri,
February 16, 2000

CC V HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(DOLLARS IN THOUSANDS)

	SUCCESSOR DECEMBER 31, 1999
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 6,806
Accounts receivable, net of allowance for doubtful accounts of $1,143	1,920
Prepaid expenses and other	663
Total current assets	9,389
INVESTMENT IN CABLE PROPERTIES:	
Property, plant and equipment	121,285
Franchises	721,744
Total investment in cable properties	843,029
DEFERRED FINANCING COSTS	1,983
	$854,401
LIABILITIES AND MEMBER'S EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 25,132
Payables to manager of cable systems--related parties	4,971
Total current liabilities	30,103
LONG-TERM DEBT	451,212
DEFERRED MANAGEMENT FEES--RELATED PARTIES	262
MEMBER'S EQUITY--100 units issued and outstanding	372,824
	$854,401

The accompanying notes are an integral part of this consolidated statement.

CC V HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS)

	SUCCESSOR	PREDECESSOR
	PERIOD FROM NOVEMBER 15, 1999, THROUGH DECEMBER 31, 1999	PERIOD FROM JANUARY 1, 1999, THROUGH NOVEMBER 14, 1999
REVENUES:		
Basic services	$ 11,281	$ 76,721
Premium services	1,008	7,088
Other	1,641	10,574
	13,930	94,383
OPERATING EXPENSES:		
Programming	3,597	24,927
General and administrative	1,991	10,968
Service	2,377	16,311
Marketing	316	883
Depreciation and amortization	7,822	39,943
Corporate expense charges--related parties	501	--
	16,604	93,032
(Loss) income from operations	(2,674)	1,351
OTHER INCOME (EXPENSE):		
Interest income	--	764
Interest expense	(7,537)	(40,162)
	(7,537)	(39,398)
Loss before income taxes	(10,211)	(38,047)
BENEFIT FROM INCOME TAXES	--	(13,936)
Loss before minority interest	(10,211)	(24,111)
MINORITY INTEREST IN LOSS OF SUBSIDIARY	--	4,499
Net loss	$(10,211)	$(19,612)

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

CC V HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS' EQUITY
BALANCE, January 1, 1999	$--	$35,000	$ (8,918)	$ 26,082
Net loss	--	--	(19,612)	(19,612)
BALANCE, November 14, 1999	$--	$35,000	$(28,530)	$ 6,470

The accompanying notes are an integral part of this consolidated statement.

CC V HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	SUCCESSOR	PREDECESSOR
	PERIOD FROM NOVEMBER 15, 1999, THROUGH DECEMBER 31, 1999	PERIOD FROM JANUARY 1, 1999, THROUGH NOVEMBER 14, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(10,211)	$(19,612)
Adjustments to reconcile net loss to net cash provided by operating activities--		
Depreciation and amortization	7,822	39,943
Deferred income taxes	--	(16,969)
Minority interest in loss of subsidiary	--	4,499
Noncash interest expense	1,855	11,764
Net change in certain assets and liabilities, net of effects from acquisitions--		
Accounts receivable	782	(1,182)
Prepaid expenses and other	76	(409)
Receivable from affiliate	--	124
Accounts payable and accrued expenses	(3,399)	15,285
Payables to manager of cable systems--related parties	4,971	--
Payable to affiliate	--	(2,206)
Other operating activities	(469)	(2,905)
Net cash provided by operating activities	1,427	28,332
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,042)	(13,683)
Payments for acquisitions, net of cash acquired	--	(47,237)
Other investing activities	--	(11,414)
Net cash used in investing activities	(2,042)	(72,334)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	5,000	39,428
Repayments of long-term debt	--	(20)
Payment of deferred financing costs	(2,000)	--
Distributions	(273)	--
Net cash provided by financing activities	2,727	39,408
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,112	(4,594)
CASH AND CASH EQUIVALENTS, beginning of period	4,694	9,288
CASH AND CASH EQUIVALENTS, end of period	$ 6,806	$ 4,694
CASH PAID FOR INTEREST	$ 2,551	$ 30,429
CASH PAID FOR TAXES	$ --	$ 283
NONCASH TRANSACTION--Increase in franchises and member's equity resulting from the application of purchase accounting	$383,308	$ --

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

CC V HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Basis of Presentation

The accompanying consolidated financial statements include the accounts of CC V Holdings, LLC (CC V Holdings), (formerly known as Avalon Cable LLC (Avalon Cable)), and its wholly owned subsidiaries (collectively, the "Company"). CC V Holdings is a Delaware limited liability company. The Company derives its primary source of revenues by providing various levels of cable programming and services to residential and business customers. The Company operates primarily in the state of Michigan and in the New England area. The Company also owns and operates various Internet service providers, which provide dial-up telephone access to the Internet via a modem.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Acquisition

On November 15, 1999, Charter Communications Holding Company, LLC (Charter Holdco) purchased directly and indirectly all of the equity interests of Avalon Cable of Michigan Holdings, Inc. (Avalon Michigan Holdings) for an aggregate purchase price of $832,000, including assumed debt of $273,400 (the "Charter Acquisition"). In connection with a multistep restructuring following the acquisition of Avalon Michigan Holdings, Avalon Michigan Holdings was merged with and into CC V Holdings. Effective January 1, 2000, these interests acquired were transferred to Charter Communications Holdings, LLC, a wholly owned subsidiary of Charter Holdco.

As a result of the Charter Acquisition, the Company has applied purchase accounting in the preparation of the accompanying consolidated financial statements. Accordingly, CC V Holdings' increased its member's equity to $383,308 to reflect the amount paid in the Charter Acquisition and has allocated that amount to assets acquired and liabilities assumed based on their relative fair values including amounts assigned to franchises of $727,720. The allocation of the purchase price is based, in part, on preliminary information, which is subject to adjustment upon completion of certain appraisal and valuation information. Management believes that finalization of the purchase price and allocation will not have a material impact on the consolidated results of operations or financial position of the Company.

As a result of the Charter Acquisition and the application of purchase accounting, financial information in the accompanying consolidated financial statements and notes thereto as of December 31, 1999, and for the period from November 15, 1999, through December 31, 1999 (the "Successor Period") are presented on a different cost basis than the financial information for the period from January 1, 1999, through November 14, 1999, (the "Predecessor Period") and therefore, such information is not comparable.

Prior to the Charter Acquisition, Avalon Michigan Holdings had a majority interest in CC V Holdings.

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. These investments are carried at cost that approximates market value.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost, including all direct and certain indirect costs associated with the construction of cable television transmission and distribution facilities, and the cost of new customer installations. The costs of disconnecting a customer are charged to expense in the period incurred. Expenditures for repairs and maintenance are charged to expense as incurred, while equipment replacement and betterments are capitalized.

Depreciation for the Successor Period is provided on the straight-line method over the estimated useful lives of the related assets as follows:

Cable distribution systems	3-15 years
Buildings and leasehold improvements	5-15 years
Vehicles and equipment	3-5 years

Depreciation for the Predecessor Period was provided on the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvement	10-25 years
Cable plant and equipment	5-12 years
Vehicles	5 years
Office furniture and equipment	5-10 years

Franchises

Costs incurred in obtaining and renewing cable franchises are deferred and amortized over the lives of the franchises. Costs relating to unsuccessful franchise applications are charged to expense when it is determined that the efforts to obtain the franchise will not be successful. Franchise rights acquired through the purchase of cable systems, including the Charter Acquisition, represent the excess of the cost of properties acquired over the amounts assigned to net tangible assets and identifiable intangible assets at the date of acquisition and are amortized using the straight-line method over a period of 15 years. The period of 15 years is management's best estimate of the useful lives of the franchises and assumes substantially all of those franchises that expire during the period will be renewed by the Company. Accumulated amortization was $5,976 at December 31, 1999. Amortization expense for the period from January 1, 1999 through November 14, 1999 and for the period from November 15, 1999, through December 31, 1999, was $29,679 and $5,976, respectively.

Deferred Financing Costs

Costs related to the Senior Credit Facilities (as defined below) are deferred and amortized to interest expense using the effective interest rate method over the term of the related borrowing. As of December 31, 1999, accumulated amortization of deferred financing costs is $17.

Impairment of Assets

If facts and circumstances suggest that a long-lived asset may be impaired, the carrying value is reviewed. If a review indicates that the carrying value of such asset is not recoverable based on projected undiscounted cash flows related to the asset over its remaining life, the carrying value of such asset is reduced to its estimated fair value.

Revenues

Cable television revenues from basic and premium services are recognized when the related services are provided.

Installation revenues are recognized to the extent of direct selling costs incurred. The remainder, if any, is deferred and amortized to income over the estimated average period that customers are expected to remain connected to the cable system. As of December 31, 1999, no installation revenue has been deferred, as direct selling costs have exceeded installation revenue.

Fees collected from programmers to guarantee carriage are deferred and amortized to income over the life of the contracts. Local governmental authorities impose franchise fees on the Company ranging up to a federally mandated maximum of 5.0% of gross revenues. Such fees are collected on a monthly basis from the Company's customers and are periodically remitted to local franchises. Franchise fees collected and paid are reported as revenues and expenses.

Interest Rate Hedge Agreements

The Company manages fluctuations in interest rates by using interest rate hedge agreements, as required by certain of its debt agreements. Interest rate caps are accounted for as hedges of debt obligations, and accordingly, the net settlement amounts are recorded as adjustments to interest expense in the period incurred. Premiums paid for interest rate caps are deferred, included in other assets, and are amortized over the original term of the interest rate agreement as an adjustment to interest expense.

Interest rate caps are entered into by the Company to reduce the impact of rising interest rates on floating rate debt.

The Company's participation in interest rate hedging transactions involves instruments that have a close correlation with its debt, thereby managing its risk. Interest rate hedge agreements have been designated for hedging purposes and are not held or issued for speculative purposes.

Income Taxes

Prior to the Charter Acquisition, the Company filed a consolidated income tax return. The tax benefit of $13,936 in the accompanying consolidated statement of operations for the period from January 1, 1999, through November 14, 1999, is recorded at 37%. This approximates the statutory tax rate of the Company.

Beginning November 15, 1999, the Company and all subsidiaries are limited liability companies such that all income taxes are the responsibility of the equity member of the Company and are not provided for in the accompanying consolidated financial statements. In addition, certain subsidiaries or corporations are subject to income taxes but have no operations and, therefore, no material income tax liabilities or assets.

Segments

Segments have been identified based upon management responsibility. The Company operates in one segment, cable services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially expose the Company to a concentration of credit risk include cash and subscriber and other receivables. The Company had cash in excess of federally insured deposits at financial institutions at December 31, 1999. The Company does not believe that such deposits are subject to any unusual credit risk beyond the normal credit risk associated with operating its business. The Company extends credit to customers on an unsecured basis in the normal course of business. The Company maintains reserves for potential credit losses and such losses, in the aggregate, have not historically exceeded management's expectations. The Company's trade receivables reflect a customer base centered in Michigan and New England. The Company routinely assesses the financial strength of its customers; as a result, concentrations of credit risk are limited.

2. MEMBER'S EQUITY:

For the period from November 15, 1999, through December 31, 1999, successor member's equity consisted of the following:

BALANCE, November 15, 1999	$383,308
Net loss	(10,211)
Distributions to Charter Communications, Inc. and Charter Investment, Inc	(273)
BALANCE, December 31, 1999	$372,824

3. ACQUISITIONS:

On March 26, 1999, Avalon Michigan Holdings acquired the minority interest of Mercom Inc. (Mercom) for $21,875. In addition, the Company acquired eight cable systems for an aggregate purchase price of $25,362 in 1999. These eight acquisitions, which were completed during the Predecessor Period, were accounted for using the purchase method of accounting and, accordingly, results of operations of the acquired systems have been included in the accompanying consolidated financial statements from the dates of acquisition. The purchase prices were allocated to tangible and intangible assets based on estimated fair market values at the dates of acquisition. The excess of the consideration paid over the estimated fair market values of the net assets acquired was $12,940 and was amortized using the straight-line method over 15 years during the Predecessor Period. All goodwill was eliminated as a result of the Charter Acquisition.

Unaudited pro forma operating results as though the 1999 acquisitions discussed above, including the Charter Acquisition, had occurred on January 1, 1999, with adjustments to give effect to amortization of franchises, interest expense and certain other adjustments are as follows:

	YEAR ENDED DECEMBER 31, 1999 (UNAUDITED)
Revenues	$110,308
Loss from operations	(17,580)
Net loss	(59,668)

The unaudited pro forma financial information has been presented for comparative purposes and does not purport to be indicative of the results of operations had these transactions been completed as of the assumed date or which may be obtained in the future.

4. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consists of the following at December 31, 1999:

Cable distribution systems	$101,675
Buildings and leasehold improvements	16,636
Vehicles and equipment	4,776
	123,087
Less--Accumulated depreciation	(1,802)
	$121,285

Depreciation expense for assets owned by the Company for the period from January 1, 1999, through November 14, 1999, and for the period from November 15, 1999, through December 31, 1999, was $10,264 and $1,802, respectively.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

Accounts payable and accrued expenses consist of the following at December 31, 1999:

Accrued litigation costs--see Note 10	$ 9,435
Accrued interest	5,417
Accounts payable	3,427
Accrued programming	3,047
Accrued franchises	1,578
Other	2,228
	$25,132

6. LONG-TERM DEBT:

The Company has outstanding the following borrowings on long-term debt arrangements at December 31, 1999:

Senior Credit Facility	$170,000
Senior Subordinated Notes	150,000
Senior Discount Notes	196,000
7.0% Note Payable, due May 2003	500
	516,500
Less--Unamortized net discount	(65,288)
	$451,212

Credit Facilities

On November 6, 1998, Avalon Michigan became a co-borrower along with Avalon Cable of New England LLC (Avalon New England) and Avalon Cable Finance, Inc. (Avalon Finance), affiliated companies on the $320,888 senior credit facilities, which included term loan facilities consisting of (i) tranche A term loans of $120,888 and (ii) tranche B term loans of $170,000 and a revolving credit facility of $30,000 (collectively, the "Old Credit Facilities").

In connection with the Senior Subordinated Notes (as defined below) and Senior Discount Notes (as defined below) offerings, Avalon Michigan repaid $125,013 of the Old Credit Facilities, and the availability under the Old Credit Facilities was reduced to $195,875 prior to the Charter Acquisition.

The interest rate under the Old Credit Facilities was a rate based on either (i) the base rate (a rate per annum equal to the greater of the Prime Rate and the Federal Funds Effective Rate plus 1/2 of 1%) or (ii) the Eurodollar rate (a rate per annum equal to the Eurodollar Base Rate divided by 1.00 less the Eurocurrency Reserve Requirements) plus, in either case, an applicable margin.

In connection with the Charter Acquisition, the Old Credit Facilities were terminated.

Effective November 15, 1999, the Company became a borrower on $300,000 senior credit facilities, which includes term loan facilities consisting of (i) a Term B Loan of $125,000 that matures on November 15, 2008, and (ii) a revolving credit facility of $175,000 that matures on May 15, 2008 (collectively, the "Senior Credit Facilities"). The Senior Credit Facilities also provide for, at the option of the lenders, supplemental credit facilities in the amounts of $75,000, available until December 31, 2003.

The interest rate under the Senior Credit Facilities is a rate based on either (i) the base rate (a rate per annum equal to the greater of the Prime Rate and the Federal Funds Effective Rate plus 1/2 of 1%) or (ii) the Eurodollar rate (a rate per annum equal to the Eurodollar Base Rate divided by 1.00 less the Eurocurrency Reserve Requirements) plus, in either case, an applicable margin. The variable interest rate as of December 31, 1999, ranged from 7.995% to 8.870%. A quarterly commitment fee of between 0.250% to 0.375% per annum is payable on the unborrowed balance of the revolving credit facility.

Commencing March 31, 2003, and at the end of each quarter thereafter through September 30, 2008, the Term B Loan is payable in installments of 0.25% of the outstanding balance, and the remaining 94.25% unpaid outstanding balance is due on November 15, 2008. Commencing March 31, 2003, and at the end of each quarter thereafter, available borrowings under the revolving credit facility shall be reduced on an annual basis by 5.0% in 2003, 15.0% in 2004, 20.0% in 2005, 22.0% in 2006, 24.0% in 2007 and 14.0% in 2008.

The Senior Credit Facilities contain restrictive covenants which, among other things, require the Company to maintain certain ratios including consolidated leverage ratios and the interest coverage ratio, fixed charge ratio and debt service coverage.

The obligations of the Company under the Senior Credit Facilities agreement are secured by substantially all of the assets of the Company.

Senior Subordinated Notes

In December 1998, Avalon Michigan became a co-issuer of a $150,000 principal amount of 9.375% Senior Subordinated Notes (the "Senior Subordinated Notes").

The indenture governing the Senior Subordinated Notes provides that upon the occurrence of a change of control each holder of the Senior Subordinated Notes has the right to require the Company to purchase all or any part (equal to $1,000 or an integral multiple thereof) of such holder's Senior Subordinated Notes at an offer price in cash equal to 101% of the aggregate principal amount thereon plus accrued and unpaid interest and Liquidated Damages (as defined in the indentures) thereof, if any, to the date of purchase. The Charter Acquisition constituted a change of control.

Pursuant to a change of control offer dated December 3, 1999, 134,050 of the Company's 9.375% Senior Subordinated Notes due December 1, 2008 were validly tendered.

The aggregate repurchase price was $137,400, including accrued and unpaid interest through January 28, 2000, and was funded with equity contributions from Charter Communications Holdings, LLC (Charter Holdings), a wholly owned subsidiary of Charter Holdco and parent of CC V Holdings, which made the cash available from the proceeds of its sale of $1.5 billion of high yield notes in January 2000 (the "January 2000 Charter Holdings Notes").

In addition to the above change of control repurchase, the Company repurchased the remaining 15,950 notes (including accrued and unpaid interest) in the open market for $16,300, also using cash received from equity contributions ultimately from Charter Holdings, which made the cash available from the sale proceeds of the January 2000 Charter Holdings Notes.

Senior Discount Notes

On December 10, 1998, Avalon Michigan Holdings and Avalon Cable Holdings Finance, Inc. (collectively, the "Holdings Co-Issuers") issued $196,000 aggregate principal amount at maturity of 11.875% Senior Discount Notes (the "Senior Discount Notes") due 2008.

The Senior Discount Notes were issued at a substantial discount from their principal amount at maturity, for proceeds of approximately $110,400. Interest on the Senior Discount Notes will accrue but not be payable before December 1, 2003. Thereafter, interest on the Senior Discount Notes will accrue on the principal amount at maturity at a rate of 11.875% per annum commencing December 1, 2003, and will be payable semiannually in arrears on June 1 and December 1 of each year. Prior to December 1, 2003, the accreted value of the Senior Discount Notes will increase, representing amortization of original issue discount, between the date of original issuance and December 1, 2003, on a semiannual basis using a 360-day year comprised of twelve 30-day months, such that the accreted value shall be equal to the full principal amount at maturity of the Senior Discount Notes on December 1, 2003.

On December 1, 2003, the Holdings Co-Issuers will be required to redeem an amount equal to $369.79 per $1,000 principal amount at maturity of each Senior Discount Note then outstanding on a pro rata basis at a redemption price of 100% of the principal amount at maturity.

On or after December 1, 2003, the Senior Discount Notes will be subject to redemption at any time at the option of the Holdings Co-Issuers, in whole or in part, at the redemption prices, which are expressed as percentages of principal amount, shown below plus accrued and unpaid interest, if any, and liquidated damages, if any, thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on December 1 of the years indicated below:

YEAR	PERCENTAGE
2003	105.938%
2004	103.958%
2005	101.979%
2006 and thereafter	100.000%

Notwithstanding the foregoing, at any time before December 1, 2001, the holding companies may on any one or more occasions redeem up to 35% of the aggregate principal amount at maturity of senior discount notes originally issued under the Senior Discount Note indenture at a redemption price equal to 111.875% of the accreted value at the date of redemption, plus liquidated damages, if any, to the redemption date, with the net cash proceeds of any equity offering and/or the net cash proceeds of a strategic equity investment.

Upon the occurrence of a change of control, each holder of Senior Discount Notes will have the right to require the Holdings Co-Issuers to repurchase all or any part of such holder's Senior Discount Notes pursuant to a change of control offer at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and liquidated damages thereon, if any, to the date of purchase. The Charter Acquisition constituted a change of control.

Upon expiration of the change of control offer (January 26, 2000), 16,250 of the Senior Discount Notes due were validly tendered.

The Senior Discount Notes were repurchased for $10,500 using cash received from equity contributions from Charter Holdings. As of February 29, 2000, 179,750 Senior Discount Notes remain outstanding with an accreted value of $116,400.

Based upon outstanding indebtedness at December 31, 1999, and the amortization of term, and scheduled reductions in available borrowings of the revolving credit facility, aggregate future principal payments on the total borrowings under all debt agreements at December 31, 1999, are as follows:

YEAR	AMOUNT
2000	$ --
2001	--
2002	--
2003	74,229
2004	1,250
Thereafter	441,021
	$516,500

7. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying and fair values of the Company's significant financial instruments as of December 31, 1999, are as follows:

	CARRYING VALUE	NOTIONAL AMOUNT	FAIR VALUE
Debt:			
Senior Credit Facilities	$170,000	$ --	$170,000
Senior Subordinated Notes	151,500	--	151,500
Senior Discount Notes	129,212	--	129,212
7.0% Note payable, due May 2003	500	--	500
Interest Rate Hedge Agreement:			
Cap	--	15,000	16

The carrying amount of the Senior Credit Facilities approximates fair value as the outstanding borrowings bear interest at market rates. The fair values of the Senior Subordinated Notes and Senior Discount Notes are based on quoted market prices.

The interest pay rate for the interest rate cap agreement was 9.0% at December 31, 1999.

The notional amount of the interest rate hedge agreement does not represent amounts exchanged by the parties and, thus, are not a measure of the Company's exposure through its use of the interest rate hedge agreement. The amounts exchanged are determined by reference to the notional amount and the other terms of the contract.

The fair value of the interest rate hedge agreement generally reflects the estimated amount that the Company would receive (excluding accrued interest) to terminate the contract on the reporting date, thereby taking into account the current unrealized gains or losses of the open contract. Dealer quotations are available for the Company's interest rate hedge agreement.

Management believes that the seller of the interest rate hedge agreement will be able to meet their obligations under the agreement. In addition, the interest rate hedge agreement is with certain of the participating banks under the Company's Senior Credit Facilities thereby reducing the exposure to credit loss. The Company has policies regarding the financial stability and credit standing of the major counterparties. Nonperformance by the counterparties is not anticipated nor would it have a material adverse effect on the Company's consolidated financial position or results of operations.

8. RELATED-PARTY TRANSACTIONS:

Charter Investment, Inc. (Charter Investment) provides management services to the Company including centralized customer billing services, and data processing and related support. Costs for these services are charged directly to the Company's operating subsidiaries and are included in operating costs. These billings are determined based on the number of basic customers. Charter Investment utilizes a combination of excess insurance coverage and self-insurance programs for its medical, dental and workers' compensation claims. Charges are made to the Company as determined by independent actuaries at the present value of the actuarially computed present and future liabilities for such benefits. Depreciation and amortization incurred by Charter Investment and Charter have been allocated to the Company based on the number of the basic customers. Such costs totaled $44 for the period from November 15, 1999, through December 31, 1999, are reflected as a capital contribution. Management believes that costs incurred by Charter Investment on the Company's behalf and included in the accompanying financial statements are not materially different than costs the Company would have incurred as a stand-alone entity.

Charter, an entity controlled by Paul G. Allen, was named manager of CC V Holdings pursuant to the terms of the limited liability company agreement for CC V Holdings dated as of November 15, 1999. Furthermore, Charter now manages and operates the Company's cable systems pursuant to a Management Agreement entered into with certain subsidiaries of CC V Holdings. The term of the management agreement is 10 years, commencing on November 15, 1999. Charter is entitled to reimbursement for all expenses, costs, losses and liabilities or damages incurred by Charter in connection with the performance of its services. Payment of the management fee is permitted under the Company's credit agreement, but ranks below the Company's senior debt and shall not be paid except to the extent permitted under the Senior Credit Facilities. Such costs totaled $501 for the period from November 15, 1999, through December 31, 1999, and are recorded in corporate expense charges-related parties in the accompanying consolidated financial statements. Deferred management fees at December 31, 1999, are $262.

9. EMPLOYEE BENEFIT PLAN:

Avalon Michigan had a qualified savings plan under Section 401(k) of the Internal Revenue Code (the "Plan"). In connection with the Charter Acquisition, the Plan's assets were frozen as of November 14, 1999, and employees became fully vested. Effective January 1, 2000, the Company's employees with two months of service are eligible to participate in the Charter Communications, Inc. 401(k) Plan (the "Charter Plan").

Employees that qualify for participation in the Charter Plan can contribute up to 15% of their salary, on a before tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service.

10. COMMITMENTS AND CONTINGENCIES:

Leases

The Company rents poles from utility companies for use in its operations. While rental agreements are generally short-term, the Company anticipates such rentals will continue in the future. The Company also leases office facilities and various equipment under month-to-month operating leases. Rent expense was $1,506 and $212 for the periods from January 1, 1999, through November 14, 1999, and from November 15, 1999, through December 31, 1999, respectively. Rental commitments are expected to continue at approximately the same level for the foreseeable future, including pole rental commitments which are cancelable.

Regulation in the Cable Television Industry

The cable television industry is subject to extensive regulation at the federal, local and, in some instances, state levels. The Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act" and together with the 1984 Cable Act, the "Cable Acts"), and the Telecommunications Act of 1996 (the "1996 Telecom Act"), establish a national policy to guide the development and regulation of cable television systems. The Federal Communications Commission (FCC) has principal responsibility for implementing the policies of the Cable Acts. Many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. Legislation and regulations continue to change, and the Company cannot predict the impact of future developments on the cable television industry.

The 1992 Cable Act and the FCC's rules implementing that act generally have increased the administrative and operational expenses of cable television systems and have resulted in additional regulatory oversight by the FCC and local or state franchise authorities. The Cable Acts and the corresponding FCC regulations have established rate regulations.

The 1992 Cable Act permits certified local franchising authorities to order refunds of basic service tier rates paid in the previous twelve-month period determined to be in excess of the maximum permitted rates. As of December 31, 1999, the amount refunded by the Company has been insignificant. The Company may be required to refund additional amounts in the future.

The Company believes that it has complied in all material respects with the provisions of the 1992 Cable Act, including the rate setting provisions promulgated by the FCC. However, in jurisdictions that have chosen not to certify, refunds covering the previous twelve-month period may be ordered upon certification if the Company is unable to justify its basic rates. As of December 31, 1999, approximately 26% of the Company's local franchising authorities are certified to regulate basic tier rates. The Company is unable to estimate at this time the amount of refunds, if any, that may be payable by the Company in the event certain of its rates are successfully challenged by franchising authorities or found to be unreasonable by the FCC. The Company does not believe that the amount of any such refunds would have a material adverse effect on the consolidated financial position or results of operations of the Company.

The 1996 Telecom Act, among other things, immediately deregulated the rates for certain small cable operators and in certain limited circumstances rates on the basic service tier, and as of March 31, 1999, deregulated rates on the cable programming service tier (CPST). The FCC has taken the position that it will still adjudicate pending CPST complaints but will strictly limit its review, and possible refund orders, to the time period predating the sunset date, March 31, 1999. The Company does not believe any adjudications regarding their pre-sunset complaints will have a material adverse effect on the Company's consolidated financial position or results of operations.

A number of states subject cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. State governmental agencies are required to follow FCC rules when prescribing rate regulation, and thus, state regulation of cable television rates is not allowed to be more restrictive than the federal or local regulation.

Litigation

In connection with the Company's acquisition of Mercom, former Mercom shareholders holding approximately 731,894 Mercom common shares (approximately 15.3% of all outstanding Mercom common shares) gave notice of their election to exercise appraisal rights as provided by Delaware law. On July 2, 1999, former Mercom shareholders holding 535,501 shares of Mercom common stock filed a petition for appraisal of stock in the Delaware Chancery Court. With respect to 209,893 of the total number of shares for which the Company received notice, the notice provided to the Company was received from beneficial holders of Mercom shares who were not holders of record. The Company believes that the notice with respect to these shares did not comply with Delaware law and is ineffective.

The Company cannot predict at this time the effect of the elections to exercise appraisal rights on the Company since the Company does not know the extent to which these former Mercom shareholders will continue to pursue appraisal rights under Delaware law or choose to abandon these efforts and seek to accept the consideration payable in the Mercom merger. If these former Mercom shareholders continue to pursue their appraisal rights and if a Delaware court were to find that the fair value of the Mercom common shares, exclusive of any element of value arising from our acquisition of Mercom, exceeded $12.00 per share, the Company would have to pay the additional amount for each Mercom common share subject to the appraisal proceedings together with a fair rate of interest. The Company could be ordered by the Delaware court also to pay reasonable attorney's fees and the fees and expenses of experts for the shareholders. In addition, the Company would have to pay their own litigation costs. The Company has already provided for the consideration of $12.00 per Mercom common share due under the terms of the merger with Mercom with respect to these shares but has not provided for any additional amounts or costs. The Company can provide no assurance as to what a Delaware court would find in any appraisal proceeding or when this matter will be resolved. Accordingly, the Company cannot assure you that the ultimate outcome would have no material adverse impact on the Company.

11. ACCOUNTING STANDARDS NOT YET IMPLEMENTED:

The Company is required to adopt Financial Accounting Standards Board issued Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133) in 2001. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the consolidated balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The adoption of SFAS No. 133 is not expected to have a material impact on the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

The Common Member and Manager
BRESNAN COMMUNICATIONS GROUP LLC:

We have audited the accompanying consolidated balance sheets of Bresnan Communications Group LLC and its subsidiaries as of December 31, 1998 and 1999, and the related consolidated statements of operations and Members' Equity (Deficit) and cash flows for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Bresnan Communications Group LLC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bresnan Communications Group LLC, as of December 31, 1998 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

Denver, Colorado
January 28, 2000, except as to Note 8,
which is as of February 14, 2000

BRESNAN COMMUNICATIONS GROUP LLC

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1998 AND 1999

	1998	1999
	(AMOUNTS IN THOUSANDS)	
ASSETS		
Cash and cash equivalents	$ 6,636	$ 5,995
Restricted cash (note 3)	47,199	290
Trade and other receivables, net	8,874	9,006
Property and equipment, at cost:		
Land and buildings	4,123	6,879
Distribution systems	443,114	534,812
Support equipment	50,178	62,283
	497,415	603,974
Less accumulated depreciation	190,752	228,868
	306,663	375,106
Franchise costs, net	291,103	328,068
Other assets, net of amortization	3,961	19,038
Total assets	$664,436	$737,503
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Accounts payable	$ 3,193	$ 18,900
Accrued expenses	13,395	35,613
Accrued interest	21,835	11,748
Debt	232,617	895,607
Other liabilities	11,648	10,020
Total Liabilities	282,688	971,888
Members' equity (deficit)	381,748	(234,385)
Commitments and contingencies		
Total liabilities and members' equity (deficit)	$664,436	$737,503

See accompanying notes to consolidated financial statements.

BRESNAN COMMUNICATIONS GROUP LLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 1997, 1998 AND 1999

	1997	1998	1999
	(AMOUNTS IN THOUSANDS)		
REVENUE	$247,108	$ 261,964	$ 283,574
Operating costs and expenses:			
Programming (note 6)	53,857	63,686	72,355
Operating	31,906	28,496	31,624
Selling, general and administrative (note 6)	50,572	56,634	67,351
Organizational and divestiture costs	--	1,934	5,281
Depreciation and amortization	53,249	54,308	59,752
	189,584	205,058	236,363
Operating income	57,524	56,906	47,211
OTHER INCOME (EXPENSE):			
Interest expense:			
Related party (note 4)	(1,892)	(1,872)	(152)
Other	(16,823)	(16,424)	(67,139)
Gain on sale of cable television systems	--	27,027	556
Other, net	(978)	(273)	(900)
	(19,693)	8,458	(67,635)
Net earnings (loss)	37,831	65,364	(20,424)
MEMBERS' EQUITY (DEFICIT):			
Beginning of year	347,188	359,098	381,748
Operating expense allocations and charges (notes 4 and 6)	60,389	71,648	--
Net assets of acquired system (note 3)	33,635	--	--
Capital contributions by members	--	--	136,500
Capital distributions to members	--	--	(732,209)
Cash transfers, net	(119,945)	(114,362)	--
End of year	$359,098	$ 381,748	$(234,385)

See accompanying notes to consolidated financial statements.

BRESNAN COMMUNICATIONS GROUP LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1997, 1998 AND 1999

	1997	1998	1999
	(AMOUNTS IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings (loss)	$ 37,831	$ 65,364	$ (20,424)
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	53,249	54,308	59,752
Amortization of debt discount and deferred financing costs	1,629	534	18,683
Gain on sale of cable television systems	--	(27,027)	(556)
Other noncash charges	2,141	452	--
Changes in operating assets and liabilities, net of effects of acquisitions:			
Change in receivables	(3,413)	2,826	621
Change in other assets	164	--	429
Change in accounts payable, accrued expenses, accrued interest and other liabilities	2,305	6,141	25,457
Other, net	(1,358)	(237)	--
Net cash provided by operating Activities	92,548	102,361	83,962
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expended for property and equipment and for franchise costs	(35,282)	(58,728)	(90,879)
Cash paid in acquisitions	--	(30,298)	(78,680)
Cash received in disposals	1,179	58,949	4,956
Change in restricted cash	--	(47,199)	46,999
Net cash used in investing activities	(34,103)	(77,276)	(117,604)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under note agreement	31,300	49,400	597,530
Proceeds from Senior Notes	--	--	170,000
Proceeds from Senior Discount Notes	--	--	175,021
Repayments under note agreement	(24,364)	(30,953)	(294,672)
Deferred finance costs paid	(2,121)	(1,139)	(19,169)
Contributions by members	--	--	136,500
Distributions to members	(59,556)	(42,714)	(732,209)
Net cash provided by (used in) financing activities	(54,741)	(25,406)	33,001
Net increase (decrease) in cash	3,704	(321)	(641)
CASH AND CASH EQUIVALENTS:			
Beginning of year	3,253	6,957	6,636
End of year	$ 6,957	$ 6,636	$ 5,995
Supplemental disclosure of cash flow information --			
Cash paid during the year for interest	$ 16,971	$ 16,792	$ 58,695

See accompanying notes to consolidated financial statements.

BRESNAN COMMUNICATIONS GROUP LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1997, 1998 AND 1999

(AMOUNTS IN THOUSANDS)

(1) BASIS OF PRESENTATION

Bresnan Communications Group LLC and its subsidiaries ("BCG" or the "Company") are wholly owned by Bresnan Communications Company Limited Partnership, a Michigan limited partnership ("BCCLP"). BCG is a Delaware limited liability corporation formed on August 5, 1998 for the purpose of acting as co-issuer with its wholly-owned subsidiary, Bresnan Capital Corporation ("BCC"), of $170,000 aggregate principal amount at maturity of 8% Senior Notes and $275,000 aggregate principal amount at maturity of 9.25% Senior Discount Notes, both due in 2009 (collectively the "Notes"). Also, at this time, BTC borrowed approximately $508,000 of $650,000 available under a new credit facility (the "Senior Credit Facility"). (See Note 4, Debt.) Prior to the issuance of the Notes on February 2, 1999, BCCLP completed the terms of a contribution agreement dated June 3, 1998, as amended, whereby certain affiliates of AT&T Broadband and Internet Services, formerly Tele-Communications, Inc. ("TCI"), contributed certain cable television systems along with assumed TCI debt of approximately $708,854 to BCCLP which was repaid with the proceeds of the Notes and the Senior Credit Facility. In addition, Blackstone BC Capital Partners L.P. ("Blackstone") and affiliates contributed $136,500 to BCCLP. Upon completion of the Notes offering on February 2, 1999 BCCLP contributed all of its assets and liabilities to BCG, which formed a wholly owned subsidiary, Bresnan Telecommunications Company LLC ("BTC"), into which it contributed all of its assets and certain liabilities. The above noted contributed assets and liabilities were accounted for at predecessor cost because of the common ownership and control of TCI and have been reflected in the accompanying financial statements in a manner similar to a pooling of interests.

The consolidated financial statements include the accounts of BCG and those of its wholly owned subsidiary, BTC, subsequent to the aforementioned formation transaction.

The Company owns and operates cable television systems in small- and medium-sized communities in the midwestern United States.

Prior to the transactions noted above, TCI and William J. Bresnan and certain entities which he controls (collectively, the "Bresnan Entities"), held 78.4% and 21.6% interests, respectively, in BCCLP. As of February 2, 1999, TCI, Blackstone and the Bresnan Entities held 50.00%, 39.79% and 10.21% interests, respectively. Subsequent to December 31, 1999, these interests were sold to Charter Communications Holding Company, LLC. (See Note 8, Sale of the Company.)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) CASH EQUIVALENTS

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less at the time of acquisition.

(B) TRADE AND OTHER RECEIVABLES

Receivables are reflected net of an allowance for doubtful accounts. Such allowance at December 31, 1998 and 1999 was not significant.

(C) PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, including acquisition costs allocated to tangible assets acquired. Construction costs, including interest during construction and applicable overhead, are capitalized. During 1997, 1998 and 1999, interest capitalized was $324,000, $47,000 and $1,027,000 respectively.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

Depreciation is computed on a straight-line basis using estimated useful lives of 3 to 15 years for distribution systems and 3 to 40 years for support equipment and buildings.

Repairs and maintenance are charged to operations, and renewals and additions are capitalized. At the time of ordinary retirements, sales or other dispositions of property, the original cost and cost of removal of such property are charged to accumulated depreciation, and salvage, if any, is credited thereto. Gains or losses are only recognized in connection with the sales of properties in their entirety.

(D) FRANCHISE COSTS

Franchise costs represent the difference between the cost of acquiring cable television systems and amounts allocated to their tangible assets. Such amounts are generally amortized on a straight-line basis over 40 years. Costs incurred in negotiating and renewing franchise agreements are amortized on a straight-line basis over the life of the franchise, generally 10 to 20 years.

(E) IMPAIRMENT OF LONG-LIVED ASSETS

Management periodically reviews the carrying amounts of property and equipment and identifiable intangible assets to determine whether current events or circumstances warrant adjustments to such carrying amounts. If an impairment adjustment is deemed necessary, such loss is measured by the amount that the carrying value of such assets exceeds their fair value. Considerable management judgment is necessary to estimate the fair value of assets. Accordingly, actual results could vary significantly from such estimates. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

(F) FINANCIAL INSTRUMENTS

The Company has entered into fixed interest rate exchange agreements ("Interest Rate Swaps") which are used to manage interest rate risk arising from its financial liabilities. Such Interest Rate Swaps are accounted for as a hedge; accordingly, amounts receivable or payable under the Interest Rate Swaps are recognized as adjustments to interest expense. These instruments are not used for trading purposes.

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), which is effective for all fiscal years beginning after June 15, 2000. SFAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities by requiring that all derivative instruments be reported as assets or liabilities and measured at their fair values. Under SFAS 133, changes in the fair values of derivative instruments are recognized immediately in earnings unless those instruments qualify as hedges of the (1) fair values of existing assets, liabilities, or firm commitments, (2) variability of cash flows of forecasted transactions, or (3) foreign currency exposures of net investments in foreign operations. Although management has not completed its assessment of the impact of SFAS 133 on its combined results of operations and financial position, management estimates that the impact of SFAS 133 will not be material.

(G) INCOME TAXES

The majority of BCG's net assets were historically held in partnerships. In addition, BCG has been formed as a limited liability company, to be treated for tax purposes as a flow-through entity. Accordingly, no provision has been made for income tax expense or benefit in the accompanying combined financial statements as the earnings or losses of Bresnan Communications Group LLC will be reported in the respective tax returns of BCG's members. (See Note 5, Income Taxes).

BRESNAN COMMUNICATIONS GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

(H) REVENUE RECOGNITION

Cable revenue for customer fees, equipment rental, advertising, pay-per-view programming and revenue sharing agreements is recognized in the period that services are delivered. Installation revenue is recognized in the period the installation services are provided to the extent of direct selling and installation costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable distribution system.

(I) STATEMENT OF CASH FLOWS

Except for acquisition transactions described in Note 3, transactions effected through Members' equity (deficit) have been considered constructive cash receipts and payments for purposes of the statement of cash flows.

(J) ADVERTISING COSTS

All advertising costs are expensed as incurred.

(K) RECLASSIFICATIONS

Certain of the prior year comparative figures have been reclassified to conform to the presentation adopted in the current year.

(L) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) ACQUISITIONS AND SYSTEM DISPOSITIONS

In 1998, the Company acquired two cable systems which were accounted for under the purchase method. The purchase prices were allocated to the assets acquired in relation to their fair values as increases in property and equipment of $7,099 and franchise costs of $21,651.

During 1998, the Company also disposed of two cable systems for gross proceeds of $58,949, which resulted in gain on sale of cable television systems of $27,027. In connection with one of the dispositions, a third party intermediary received $47,199 of cash that was designated to be reinvested in certain identified assets for income tax purposes and accordingly recognized as restricted cash on the Company's Consolidated Balance Sheet at December 31, 1998 and 1999.

In 1999, BCG acquired three cable systems that were accounted for under the purchase method. The purchase prices were allocated to the assets acquired in relation to their fair values as increases to property and equipment of $24,098 and franchise costs of $54,582. In connection with two of the acquisitions, the aforementioned third party intermediary disbursed $46,999 of cash to complete the reinvestment in certain identified assets for income tax purposes.

Finally, in 1999, BCG disposed of cable systems for gross proceeds of $4,956, which resulted in a gain of $556.

BRESNAN COMMUNICATIONS GROUP LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) ACQUISITIONS AND SYSTEM DISPOSITIONS -- (CONTINUED)

The results of operations of these cable television systems have been included in the accompanying combined statements of operations from their dates of acquisition or their disposition, as applicable. Pro forma information on the acquisitions and dispositions has not been presented because the effects were not significant.

(4) DEBT

Debt is summarized as follows:

	DECEMBER 31, 1998	DECEMBER 31, 1999
	(AMOUNTS IN THOUSANDS)	
Senior Credit Facility(a)	$ --	$534,200
Senior Notes Payable(b)	--	170,000
Senior Discount Notes Payable(b)	--	190,132
Notes payable to banks(c)	209,000	--
Note payable to partner(d)	22,100	--
Other debt	1,517	1,275
	$232,617	$895,607

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(a) The Senior Credit Facility represents borrowings under a $650,000 senior reducing revolving credit and term loan facility as documented in the loan agreement as of February 2, 1999. The Senior Credit Facility has a current available commitment of $650,000 of which $534,200 is outstanding at December 31, 1999. The Senior Credit Facility provides for three tranches, a revolving loan tranche for $150,000 (the "Revolving Loan"), a term loan tranche of $328,000 (the "A Term Loan" and together with the Revolving Loan, "Facility A") and a term loan tranche of $172,000 (the "Facility B").

The commitments under the Senior Credit Facility will reduce commencing with the quarter ending March 31, 2002. Facility A permanently reduces in quarterly amounts ranging from 2.5% to 7.5% of the Facility A amount starting March 31, 2002 and matures approximately eight and one half years after February 2, 1999. Facility B is also to be repaid in quarterly installments of .25% of the Facility B amount beginning in March 2002 and matures approximately nine years after February 2, 1999, on which date all remaining amounts of Facility B will be due and payable. Additional reductions of the Senior Credit Facility will also be required upon certain asset sales, subject to the right of the Company and its subsidiaries to reinvest asset sale proceeds under certain circumstances. The interest rate options include a LIBOR option and a Prime Rate option plus applicable margin rates based on the Company's total leverage ratio, as defined. The rate applicable to balances outstanding at December 31, 1999 ranged from 7.57% to 9.00%. Covenants of the Senior Credit Facility require, among other conditions, the maintenance of specific levels of the ratio of cash flows to future debt and interest expense and certain limitations on additional investments, indebtedness, capital expenditures, asset sales and affiliate transactions. In addition, the Company is required to pay a commitment fee on the unused revolver portion of Facility A which will accrue at a rate ranging from .25% to .375% per annum, depending on the Company's total leverage ratio, as defined.

(b) On February 2, 1999, the Company issued $170,000 aggregate principal amount senior notes payable (the "Senior Notes"). In addition, on the same date, the Company issued $275,000 aggregate principal amount at maturity of senior discount notes, (the "Senior Discount Notes") for approximately $175,021 gross proceeds (collectively the "Notes").

(4) DEBT -- (CONTINUED)

The Senior Notes are unsecured and will mature on February 1, 2009. The Senior Notes bear interest at 8% per annum payable semi-annually on February 1 and August 1 of each year, commencing August 1, 1999.

The Senior Discount Notes are unsecured and will mature on February 1, 2009. The Senior Discount Notes were issued at a discount to their aggregate principal amount at maturity and will accrete at a rate of approximately 9.25% per annum, compounded semi-annually, to an aggregate principal amount of $275,000 on February 1, 2004. Subsequent to February 1, 2004, the Senior Discount Notes will bear interest at a rate of 9.25% per annum payable semi-annually in arrears on February 1 and August 1 of each year, commencing August 1, 2004.

The Company may elect, upon not less than 60 days prior notice, to commence the accrual of interest on all outstanding Senior Discount Notes on or after February 1, 2002, in which case the outstanding principal amount at maturity of each Senior Discount Note will on such commencement date be reduced to the accreted value of such Senior Discount Note as of such date and interest shall be payable with respect to the Senior Discount Notes on each February and August 1 thereafter.

The Company may not redeem the Notes prior to February 1, 2004 except that prior to February 1, 2002, the Company may redeem up to 35% of the Senior Notes and Senior Discount Notes at redemption prices equal to 108% and 109.25% of the applicable principal amount and accreted value, respectively, with proceeds of an equity offering. Subsequent to February 1, 2004, the Company may redeem the Notes at redemption prices declining annually from approximately 104% of the principal amount or accreted value.

Bresnan Communications Group LLC and its wholly owned subsidiary Bresnan Capital Corporation are the sole obligors of the Senior Notes and Senior Discount Notes. Bresnan Communications Group LLC has no other assets or liabilities other than its investment in its wholly owned subsidiary Bresnan Telecommunications Company LLC. Bresnan Capital Corporation has no other assets or liabilities.

Upon change of control of the Company, the holders of the notes have the right to require the Company to purchase the outstanding notes at a price equal to 101% of the principal amount or accreted value plus accrued and unpaid interest. (See Note 8 "Sale of the Company").

(c) The notes payable to banks represented borrowings under a $250,000 senior unsecured reducing revolving credit and term loan facility (the "Bank Facility") as documented in the loan agreement as amended and restated as of August 5, 1998. The Bank Facility called for a current available commitment of $250,000 of which $209,000 was outstanding at December 31, 1998. The rates applicable to balances outstanding at December 31, 1998 ranged from 6.815% to 8.000%. The Bank Facility was repaid on February 2, 1999. (See Note 1, Basis of Presentation.)

(d) The note payable to a partner was comprised of a $25,000 subordinated note of which $22,100 was outstanding at December 31, 1998. The note, dated May 12, 1988, was junior and subordinate to the Bank Facility. Interest was provided for at the prime rate (as defined) and was payable quarterly, to the extent allowed under the bank subordination agreement, or at the maturity date of the note, which was the earlier of April 30, 2001 or the first business day following the full repayment of the entire amount due under the notes payable to banks. The interest rate at December 31, 1998 was 7.75%. This note was repaid on February 2, 1999. (See Note 1, Basis of Presentation.)

The Company entered into interest rate swap agreements to effectively fix or set maximum interest rates on a portion of its floating rate long-term debt. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the interest rate swap agreements.

(4) DEBT -- (CONTINUED)

At December 31, 1999, such interest rate swap agreements effectively fixed or set a maximum LIBOR base interest rates between 8.0% and 8.02% on an aggregate notional principal amount of $50,000, which rates would become effective upon the occurrence of certain events. The effect of the interest rate swap on interest expense for the twelve months ended December 31, 1999 was not significant. The expiration dates of the interest rate swaps ranges from April 1, 2000 to April 3, 2000. The difference between the fair market value and book value of long-term debt and the interest rate swaps at December 31, 1998 and 1999 is not significant.

(5) INCOME TAXES

Taxable earnings differ from those reported in the accompanying consolidated statements of operations due primarily to differences in depreciation and amortization methods and estimated useful lives under regulations prescribed by the Internal Revenue Service. At December 31, 1999, the financial statement carrying amount of the Company's assets exceeded its tax basis by approximately $431 million.

(6) TRANSACTIONS WITH RELATED PARTIES

BCG and its predecessor purchased, at TCI's cost, substantially all of its pay television and other programming from affiliates of TCI. Charges for such programming were $48,588, $58,562 and $62,502 for the years ended December 31, 1997, 1998 and 1999, respectively, and are included in programming expenses in the accompanying consolidated financial statements.

Prior to February 2, 1999, certain affiliates of the partners of BCCLP provided administrative services to BCG and assumed managerial responsibility of BCG's cable television system operations and construction. As compensation for these services, BCG paid a monthly fee calculated pursuant to certain agreed upon formulas. Subsequent to the TCI Transaction on February 2, 1999, certain affiliates of a partner of BCCLP provide administrative services and have assumed managerial responsibilities of BCG. As compensation for these services BCG pays a quarterly fee equal to approximately 3% of gross revenues. Such aggregate charges totaled $11,801, $13,086 and $10,498 and have been included in selling, general and administrative expenses for years ended December 31, 1997, 1998 and 1999, respectively.

(7) COMMITMENTS AND CONTINGENCIES

The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") imposed certain rate regulations on the cable television industry. Under the 1992 Cable Act, all cable systems are subject to rate regulation, unless they face "effective competition," as defined by the 1992 Cable Act and expanded in the Telecommunications Act of 1996 (the "1996 Act"), in their local franchise area.

Although the Federal Communications Commission (the "FCC") has established regulations required by the 1992 Cable Act, local government units (commonly referred to as local franchising authorities) are primarily responsible for administering the regulation of a cable system's basic service tier ("BST"). The FCC itself directly administered rate regulation of any cable programming service tier ("CPST"). The FCC's authority to regulate CPST rates expired on March 31, 1999. The FCC has taken the position that it will still adjudicate CPST complaints filed after this sunset date (but no later than 180 days after the last CPST rate increase imposed prior to March 31, 1999), and will strictly limit its review (and possible refund orders) to the time period predating the sunset date.

Under the FCC's rate regulations, most cable systems were required to reduce their BST and CPST rates in 1993 and 1994, and have since had their rate increases governed by a complicated price structure that allows for the recovery of inflation and certain associated costs, as well as providing some incentive for

(7) COMMITMENTS AND CONTINGENCIES -- (CONTINUED)

expanding channel carriage. Operators also have the opportunity to bypass this "benchmark" regulatory structure in favor of the traditional "cost-of-service" regulation in cases where the latter methodology appears favorable. Premium cable service offered on a per-channel or per-program basis remain unregulated, as do affirmatively marketed packages consisting entirely of new programming product.

The management of BCG believes that it has complied in all material respects with the provisions of the 1992 Cable Act and the 1996 Act, including its rate setting provisions. If, as a result of the review process, a system cannot substantiate its rates, it could be required to retroactively reduce its rates to the appropriate benchmark and refund the excess portion of rates received. Any refunds of the excess portion of CPST rates would be retroactive to the date of complaint. Any refunds of the excess portion of BST or equipment rates would be retroactive to one year prior to the implementation of the rate reductions.

Certain plaintiffs have filed or threatened separate class action complaints against certain of the systems of BCG, alleging that the systems' practice of assessing an administrative fee to the subscribers whose payments are delinquent constitutes an invalid liquidated damage provision and a breach of contract, and violates local consumer protection statutes. Plaintiffs seek recovery of all late fees paid to the subject systems as a class purporting to consist of all subscribers who were assessed such fees during the applicable limitation period, plus attorney fees and costs.

BCG has additional contingent liabilities related to legal proceedings and other matters arising in the ordinary course of business. Although it is possible that BCG may incur losses upon conclusion of these matters and the matters referred to above, an estimate of any loss or range of loss cannot presently be made. Based upon the facts available, management believes that, although no assurance can be given as to the outcome of these actions, the ultimate disposition should not have material adverse effect upon the combined financial condition of BCG.

On January 12, 2000, the Company also purchased two cable systems from one operator. The system in Wisconsin was a stock purchase and the system in Minnesota was an asset purchase. The total purchase price of these transactions was approximately $36,232, funded by cash flow from operations and additional borrowings.

The Company also entered into a letter of intent with a cable operator pursuant to which the Company acquires a small cable television system in Minnesota. The transaction would result in a net cost of approximately $13,000 and will be funded by cash flow from operations and additional borrowings.

BCG leases business offices, has entered into pole attachment agreements and uses certain equipment under lease arrangements. Rental expense under such arrangements amounted to $3,221, $2,833 and $3,547 during the years ended December 31, 1997, 1998 and 1999, respectively.

Future minimum lease payments under noncancelable operating leases are estimated to approximate $2,240 per year for each of the next five years.

It is expected that, in the normal course of business, expiring leases will be renewed or replaced by leases on the same or similar properties.

(8) SALE OF THE COMPANY

In June 1999, the Partners of BCCLP entered into an agreement to sell all of their partnership interests in BCCLP to Charter Communications Holding Company, LLC for a purchase price of approximately $3.1 billion in cash and equity instruments of Charter and its subsidiaries (including the Company) which will be reduced by the assumption of BCCLP's debt at closing. In conjunction with the sale of the partnership interests, Charter assumed the Company's outstanding indebtedness under the Senior Credit Facility (See Note 4, Debt.) The accompanying financial statements do not reflect the effect of the adjustments, if any, resulting from the sale of the partnership's interests.

EXHIBIT 3.2(a)

AMENDMENT TO THE AMENDED AND RESTATED BYLAWS

OF

CHARTER COMMUNICATIONS, INC.

The Amended and Restated Bylaws of the Corporation, are amended as follows:

ARTICLE III-DIRECTORS

SECTION 3.2 Number; Terms and Vacancies. The number of directors which shall constitute the whole Board shall be fixed at seven (7) 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.

EXHIBIT 10.1(c)

LENDER CONSENT LETTER

CHARTER COMMUNICATIONS OPERATING, LLC
CREDIT AGREEMENT DATED AS OF MARCH 18, 1999
THIRD AMENDMENT

To: The Chase Manhattan Bank, as Administrative Agent
270 Park Avenue
New York, New York 10017

Bank of America, N.A., as Administrative Agent
901 Main Street
Dallas, Texas 75202

Ladies and Gentlemen:

Reference is made to the CREDIT AGREEMENT, dated as of March 18, 1999, as amended by the First Amendment dated as of June 28, 1999 and the Second Amendment dated as of December 14, 1999 (the "Credit Agreement"), among CHARTER COMMUNICATIONS OPERATING, LLC (the "Borrower"), CHARTER COMMUNICATIONS HOLDINGS LLC, the Lenders parties to the Credit Agreement, the Documentation Agents and Syndication Agents named therein and THE CHASE MANHATTAN BANK and BANK OF AMERICA, N.A., as Administrative Agents (in such capacity, the "Administrative Agents").

The Borrower has requested amendments to the Credit Agreement on the terms described in the Third Amendment to the Credit Agreement in the form attached hereto as Exhibit A (the "Third Amendment").

Pursuant to Section 10.1 of the Credit Agreement, the undersigned Lender hereby consents to the execution by the Administrative Agents of the Third Amendment.

Very truly yours,

(NAME OF LENDER)

By

Name:
Title:

Dated as of February 24, 2000

EXHIBIT A

THIRD AMENDMENT, dated as of February 24, 2000 (this "Third Amendment"), to the CREDIT AGREEMENT, dated as of March 18, 1999, as amended by the First Amendment dated as of June 28, 1999 and the Second Amendment dated as of December 14, 1999 (the "Credit Agreement"), among CHARTER COMMUNICATIONS OPERATING, LLC (the "Borrower"), CHARTER COMMUNICATIONS HOLDINGS LLC, the Lenders parties to the Credit Agreement, the Documentation Agents and Syndication Agents named therein and THE CHASE MANHATTAN BANK and BANK OF AMERICA, N.A., as Administrative Agents (in such capacity, the "Administrative Agents"). Terms defined in the Credit Agreement shall be used in this Third Amendment with their defined meanings unless otherwise defined herein.

W I T N E S S E T H :

WHEREAS, the Borrower wishes to amend the Credit Agreement in the manner set forth herein; and

WHEREAS, each of the parties hereto is willing to enter into this Third Amendment on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION I. AMENDMENTS TO CREDIT AGREEMENT.

1. Section 1.1. Section 1.1 of the Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetical order:

> "Qualified Indebtedness": (a) with respect to a Qualified Parent Company, any Indebtedness (i) which is issued in a Rule 144A private placement or registered public offering, (ii) which is not held by any member of the Charter Group and (iii) as to which 100% of the Net Cash Proceeds thereof are used by such Qualified Parent Company to make Investments in one or more of its Subsidiaries engaged substantially in businesses of the type described in Section 7.14(a) and/or to refinance other Qualified Indebtedness or Indebtedness of the Borrower and (b) with respect to an Affiliate of the Borrower, any Indebtedness as to which 100% of the Net Cash Proceeds thereof were contributed to the Borrower.
>
> "Qualified Parent Company": Charter Communications Holding Company, LLC or any of its direct or indirect Subsidiaries, in each case provided that the Borrower shall be a direct or indirect Subsidiary of such Person.

2. Section 2.1(c). Section 2.1(c) of the Credit Agreement is hereby amended by changing the amount "$500,000,000" contained in clause (iv)(w) of the penultimate sentence thereof to the amount "$1,000,000,000".

3. Section 7.1(a). Section 7.1(a) of the Credit Agreement is hereby amended and restated in its entirety as follows:

> (a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio determined as of the last day of any fiscal quarter of the Borrower ending during any period set forth below to exceed the ratio set forth below opposite such period:

Period	Consolidated Leverage Ratio
04/01/99 - 12/31/01	5.00 to 1.0
01/01/02 - 12/31/02	4.50 to 1.0
01/01/03 - 06/30/03	4.25 to 1.0
07/01/03 and thereafter	4.00 to 1.0"

4. Section 7.6(b). Section 7.6(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(b) the Borrower may make distributions (directly or indirectly) to any Qualified Parent Company or any Affiliate of the Borrower for the purpose of enabling such Person to make scheduled interest payments in respect of its Qualified Indebtedness, provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) each such distribution shall be made on a Threshold Transaction Date (except in the case of any distribution made for the purpose of paying interest on (x) Qualified Indebtedness as to which 100% of the Net Cash Proceeds thereof were contributed to the Borrower as a capital contribution, (y) Qualified Indebtedness incurred to refinance such Qualified Indebtedness or (z) the Senior Notes or any Indebtedness incurred to refinance the Senior Notes) and (iii) each such distribution shall be made no earlier than three Business Days prior to the date the relevant interest payment is due;"

5. Section 7.6(c). Clause (i) of Section 7.6(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(i) the Borrower may make distributions to Charter Holdings to be used to repurchase, redeem or otherwise acquire or retire for value any Equity Interests of Charter Holdings or Charter Communications Inc. held by any member of management of Charter Holdings, the Borrower or any of its Subsidiaries pursuant to any management equity subscription agreement or stock option agreement in effect as of the Stage One Closing Date, provided that the aggregate amount of such distributions shall not exceed $10,000,000 in any fiscal year of the Borrower"

SECTION II. MISCELLANEOUS.

1. No Change. Except as expressly provided herein, no term or provision of the Credit Agreement shall be amended, modified or supplemented, and each term and provision of the Credit Agreement shall remain in full force and effect.

2. Effectiveness. This Third Amendment shall become effective as of the date hereof upon receipt by the Administrative Agents of (a) counterparts hereof duly executed by Holdings and the Borrower and (b) consent letters authorizing the Administrative Agents to enter into this Third Amendment from the Required Lenders.

3. Counterparts. This Third Amendment may be executed by the parties hereto in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

4. Governing Law. THIS THIRD AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS THIRD AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

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

CHARTER COMMUNICATIONS HOLDINGS LLC

By:

Name: Eloise A. Engman
Title: Vice President

CHARTER COMMUNICATIONS OPERATING, LLC

By:

Name: Eloise A. Engman
Title: Vice President

THE CHASE MANHATTAN BANK,
as an Administrative Agent

By:

Name:
Title:

BANK OF AMERICA, N.A., as an Administrative
Agent

By:

Name:
Title:

EXHIBIT 10.2(d)

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made as of the 12th day of November, 1999, by and between CC VI Operating Company, LLC, a Delaware limited liability company (the "Company"), and Charter Communications, Inc., a Delaware corporation (the "Manager").

A. The Company desires to retain the Manager to manage and operate the cable television systems owned by the Company and its subsidiaries and any cable television systems subsequently acquired by the Company and its subsidiaries (the "Cable Systems").

B. The Manager has agreed to manage and operate the Cable Systems, all upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Retention of the Manager. The Company hereby appoints the Manager as a manager for the Cable Systems, and the Manager hereby agrees to serve the Company as a manager for the Cable Systems, pursuant to the terms and conditions hereinafter set forth.

2. Authority and Duties of the Manager.

(a) The Company agrees to seek the advice of the Manager regarding the business, properties and activities of the Cable Systems during the term hereof, and subject to the direction, control and general supervision of the Company, the Manager agrees to provide such advice. The Manager shall give such advice in a businesslike, efficient, lawful and professional manner in accordance with this Agreement.

(b) Without limiting the generality of the foregoing, the Manager shall provide all management services with respect to the operation of the Cable Systems, including, but not limited to the following:

(i) advice concerning the hiring, termination, performance and training of personnel;

(ii) review, consultation and advice concerning personnel, operations, engineering and other management and operating policies and procedures;

(iii) review, consultation and advice concerning maintenance standards for plant and equipment of the Cable Systems, advice as to the Cable Systems' normal repairs, replacements, maintenance and plant upgrades, and provide for periodic inspections;

(iv) recommendations on all necessary action to keep the operation of the Cable Systems in compliance, in all material respects, with the conditions of the Company's franchises and all applicable rules, regulations and orders of any federal, state, county or municipal authority having jurisdiction over the Cable Systems;

(v) assistance in the negotiation, or directly negotiate, on behalf of the Company, of operating agreements (including, but not limited to, pole attachment agreements, office and headend leases, easements and right-of-way agreements), contracts for the purchase, lease, license or use of properties, equipment and rights as may be necessary or desirable in connection with the operation or maintenance of the Cable Systems and such other agreements on behalf of the Company as are necessary or advisable for the Cable Systems and assistance in the procuring, or directly procuring, on behalf of the Company, such programming, billing and other services and equipment deemed necessary and advisable for the Cable Systems;

(vi) development of recommendations for, and negotiate the acquisition and maintenance of, such insurance coverage with respect to the Cable Systems as the Company may determine upon advice and consultation of the Manager;

(vii) guidance on all marketing, sales promotions and advertising for the Cable Systems;

(viii) assistance in the financial budgeting process and the implementation of appropriate accounting, financial, administrative and managerial controls for the Cable Systems;

(ix) preparation for use by the Company of financial reports and maintenance of books of accounts and other records reflecting the results of operation of each Cable System and/or subsidiary; and

(x) advice and consultation with the Company in connection with any and all aspects of the Cable Systems and the day to day operation thereof and consultation with the Company with respect to the selection of attorneys, consultants and accountants.

3. Management Expenses.

(a) The Manager shall charge to, or be reimbursed by the Company for, all expenses, costs, losses, liabilities or damages incurred by the Manager attributable to the ownership or operation of the Cable Systems, including, where applicable, pro rata allocation for services and purchases made by the Manager on behalf of the Cable Systems and other companies and cable systems managed by the Manager, subject to the limitations set forth in

Section 6 (the "Company Expenses"). In addition to reimbursement for Company Expenses, the Manager shall be reimbursed for all other expenses, costs, losses, liabilities or damages incurred by the Manager in connection with the performance of its duties hereunder, including, without limitation, the Manager's costs for overhead, administration and salaries (collectively, the "Management Fee"), provided that the Management Fee shall not include expenses incurred by Manager that are in the nature of the "Company Expenses" and are paid to the Manager by another company or cable system managed by Manager. Notwithstanding the foregoing, and subject to the payment priority provisions of the following paragraph, in no event may the Management Fee portion of Company Expenses be reimbursable in any year in an amount in excess five percent (5.0%) of the Gross Revenue of the Company, payable monthly in arrears or as otherwise agreed upon. "Gross Revenue" will include all revenues from the operation of the Cable Systems including, without limitation, subscriber payments, advertising revenues and revenues from other services provided by the Cable Systems, but not including interest income or income from investments unrelated to the Cable Systems. Management Fees shall only be paid to the Manager by the Company to the extent permitted by the Credit Agreement (as defined below) and any other material agreement and applicable charter document of the Company and the Manager.

Notwithstanding the foregoing, the Management Fees (but not other Company Expenses) due and payable as provided in the preceding paragraph of this Section 3 shall be subordinated and junior in right of payment to the prior payment in full in cash of all of the Senior Debt (as defined below) and shall not be paid except to the extent allowed under the Credit Agreement (as defined below). In the event of any bankruptcy or similar proceeding relative to the Company (a "Reorganization"), then all of the Senior Debt shall first be paid in full in cash before any payment of the Management Fees is made, and in any Reorganization any amount payable in respect of the Management Fees shall be paid directly to the Funding Agent referred to below, unless all the Senior Debt has been paid in full in cash. The Manager hereby irrevocably authorizes the Funding Agent, as attorney-in-fact for the Manager, to vote, file or prove any claim or proof of claim in any Reorganization in respect of the Management Fees and to demand, sue for, collect and receive any such payment. The Manager shall take any actions requested by the Funding Agent in order to accomplish any of the foregoing. If the Manager receives any payment hereunder in violation of the terms hereof or in connection with any Reorganization (prior to the payment in full in cash of the Senior Debt), the Manager shall hold such payment in trust for the benefit of the holders of the Senior Debt and forthwith pay it over to the Funding Agent. Amounts payable to the Manager in accordance with this Section 3 which remain unpaid by reason of the foregoing shall be accrued as a liability of the Company and shall be payable as soon as the conditions to payment are fulfilled. The deferred portion of the Management Fees will bear interest at the rate of ten percent (10%) per annum, compounded annually, from the date otherwise due and payable until the payment thereof.

As used herein, (i) "Credit Agreement" means the Credit Agreement, dated as of November 12, 1999, among CC VI Operating Company, LLC, certain of its affiliates, the Lenders parties thereto, Toronto Dominion (Texas), Inc., as Administrative Agent (the "Funding Agent"), and various Syndication and other Agents named therein, as amended, restated, supplemented or otherwise modified from time to time, and (ii) "Senior Debt" means the principal amount of all loans and guarantee obligations from time to time outstanding or owing under the Credit Agreement and the other loan documents executed and delivered by the Company pursuant thereto, together with interest thereon (including any interest subsequent to any filing for Reorganization, whether or not such interest would constitute an allowed claim, calculated at the rate set forth for overdue loans in the Credit Agreement) and all other obligations of the Company under the Credit Agreement and such other loan documents.

(b) Notwithstanding any termination of this Agreement pursuant to Section 4, the Manager shall, subject to the limitations set forth in the preceding paragraphs above, remain entitled (i) to receive the Management Fees set forth in Section 3(a) incurred prior to the date of termination which have not been paid to the Company; and (ii) to receive payment of the deferred Management Fees at the time of such termination if, and to the extent that, payment thereof is otherwise permitted under Section 3(a).

4. Effective Date. This Agreement shall become effective only upon the closing (the "Effective Date") of the initial public offering of the Manager as contemplated by its Registration Statement on Form S-1 filed with the Securities and Exchange Commission.

5. Term of Agreement. The term of this Agreement shall be ten years commencing on the Effective Date, unless sooner terminated pursuant to the terms of this Agreement. This Agreement may be terminated as follows: (a) by the Company immediately upon written notice to the manager for Cause (as defined below) or (b) automatically on the consummation of the sale of all or substantially all of the Company's assets. For purposes hereof, "Cause" shall exist if the Manager has engaged in gross negligence or willful misconduct in the performance of its duties hereunder which could have a material adverse effect on the Company.

6. Liability. The Company shall bear any and all expenses, liabilities, losses or damages resulting from the operation of the Cable Systems, and the Manager, its partners, officers, directors and employees shall not, under any circumstances, be held liable therefor, except that the Manager shall be liable for any loss or damage which results from its own gross negligence or willful misconduct. Neither the Manager nor any of its partners, members, officers, directors and employees shall be held to have incurred any liability to the Company, the Cable Systems or any third party by virtue of any action not constituting gross negligence or willful misconduct taken in good faith by it in discharge of its duties hereunder, and the Company agrees to indemnify the manager and its shareholders, partners, directors, officers and employees and hold the Manager and its partners, directors, officers and employees harmless with respect of the foregoing, including, but not limited to, reasonable attorneys' fees.

7. Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by a party pursuant to this Agreement shall be in writing and shall be deemed given upon receipt if personally delivered (including by messenger or recognized delivery or courier service) or on the date of receipt on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, delivered or addressed

as set forth below. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed receipt of the notice:

(a) If to the Company:

CC VI Operating Company, LLC
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

(b) If to the Manager:

Charter Communications, Inc.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

8. Governing Law. This Agreement and the rights and obligations of the parties hereunder and the persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without giving effect to the choice of law principles thereof.

9. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns. This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement is not transferable or assignable by any of the parties hereto except as may be expressly provided herein. This Agreement may not be amended, supplemented or otherwise modified except in accordance with the Credit Agreement.

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

CC VI OPERATING COMPANY, LLC
a Delaware limited liability company

By:____
Name:
Title:

CHARTER COMMUNICATIONS, INC.,
a Delaware corporation

By:____
Name:
Title:

EXHIBIT 10.2(e)

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made as of the 12th day of November, 1999, by and between Falcon Cable Communications, LLC, a Delaware limited liability company (the "Company"), and Charter Communications, Inc., a Delaware corporation (the "Manager").

A. The Company desires to retain the Manager to manage and operate the cable television systems owned by the Company and its subsidiaries and any cable television systems subsequently acquired by the Company and its subsidiaries (the "Cable Systems").

B. The Manager has agreed to manage and operate the Cable Systems, all upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Retention of the Manager. The Company hereby appoints the Manager as a manager for the Cable Systems, and the Manager hereby agrees to serve the Company as a manager for the Cable Systems, pursuant to the terms and conditions hereinafter set forth.

2. Authority and Duties of the Manager.

(a) The Company agrees to seek the advice of the Manager regarding the business, properties and activities of the Cable Systems during the term hereof, and subject to the direction, control and general supervision of the Company, the Manager agrees to provide such advice. The Manager shall give such advice in a businesslike, efficient, lawful and professional manner in accordance with this Agreement.

(b) Without limiting the generality of the foregoing, the Manager shall provide all management services with respect to the operation of the Cable Systems, including, but not limited to the following:

(i) advice concerning the hiring, termination, performance and training of personnel;

(ii) review, consultation and advice concerning personnel, operations, engineering and other management and operating policies and procedures;

(iii) review, consultation and advice concerning maintenance standards for plant and equipment of the Cable Systems, advice as to the Cable Systems' normal repairs, replacements, maintenance and plant upgrades, and provide for periodic inspections;

(iv) recommendations on all necessary action to keep the operation of the Cable Systems in compliance, in all material respects, with the conditions of the Company's franchises and all applicable rules, regulations and orders of any federal, state, county or municipal authority having jurisdiction over the Cable Systems;

(v) assistance in the negotiation, or directly negotiate, on behalf of the Company, of operating agreements (including, but not limited to, pole attachment agreements, office and headend leases, easements and right-of-way agreements), contracts for the purchase, lease, license or use of properties, equipment and rights as may be necessary or desirable in connection with the operation or maintenance of the Cable Systems and such other agreements on behalf of the Company as are necessary or advisable for the Cable Systems and assistance in the procuring, or directly procuring, on behalf of the Company, such programming, billing and other services and equipment deemed necessary and advisable for the Cable Systems;

(vi) development of recommendations for, and negotiate the acquisition and maintenance of, such insurance coverage with respect to the Cable Systems as the Company may determine upon advice and consultation of the Manager;

(vii) guidance on all marketing, sales promotions and advertising for the Cable Systems;

(viii) assistance in the financial budgeting process and the implementation of appropriate accounting, financial, administrative and managerial controls for the Cable Systems;

(ix) preparation for use by the Company of financial reports and maintenance of books of accounts and other records reflecting the results of operation of each Cable System and/or subsidiary; and

(x) advice and consultation with the Company in connection with any and all aspects of the Cable Systems and the day to day operation thereof and consultation with the Company with respect to the selection of attorneys, consultants and accountants.

3. Management Expenses.

The Manager shall charge to, or be reimbursed by the Company for, all expenses, costs, losses, liabilities or damages incurred by the Manager attributable to the ownership or operation of the Cable Systems, including, where applicable, pro rata allocation for services and purchases made by the Manager on behalf of the Cable Systems and other companies and cable systems managed by the Manager, subject to the limitations set forth in

Section 6 (the "Company Expenses"). In addition to reimbursement for Company Expenses, the Manager shall be reimbursed for all other expenses, costs, losses, liabilities or damages incurred by the Manager in connection with the performance of its duties hereunder, including, without limitation, the Manager's costs for overhead, administration and salaries (collectively, the "Management Fee"), provided that the Management Fee shall not include expenses incurred by Manager that are in the nature of the "Company Expenses" and are paid to the Manager by another company or cable system managed by Manager. Notwithstanding the foregoing, and subject to the payment priority provisions of the following paragraph, in no event may the Management Fee portion of Company Expenses be reimbursable in any year in an amount in excess five percent (5.0%) of the Gross Revenue of the Company, payable monthly in arrears or as otherwise agreed upon. "Gross Revenue" will include all revenues from the operation of the Cable Systems including, without limitation, subscriber payments, advertising revenues and revenues from other services provided by the Cable Systems, but not including interest income or income from investments unrelated to the Cable Systems. Management Fees shall only be paid to the Manager by the Company to the extent permitted by the Credit Agreement (as defined below) and any other material agreement and applicable charter document of the Company and the Manager.

Notwithstanding the foregoing, the Management Fees (but not other Company Expenses) due and payable as provided in the preceding paragraph of this Section 3 shall be subordinated and junior in right of payment to the prior payment in full in cash of all of the Senior Debt (as defined below) and shall not be paid except to the extent allowed under the Credit Agreement (as defined below). In the event of any bankruptcy or similar proceeding relative to the Company (a "Reorganization"), then all of the Senior Debt shall first be paid in full in cash before any payment of the Management Fees is made, and in any Reorganization any amount payable in respect of the Management Fees shall be paid directly to the Funding Agent referred to below, unless all the Senior Debt has been paid in full in cash. The Manager hereby irrevocably authorizes the Funding Agent, as attorney-in-fact for the Manager, to vote, file or prove any claim or proof of claim in any Reorganization in respect of the Management Fees and to demand, sue for, collect and receive any such payment. The Manager shall take any actions requested by the Funding Agent in order to accomplish any of the foregoing. If the Manager receives any payment hereunder in violation of the terms hereof or in connection with any Reorganization (prior to the payment in full in cash of the Senior Debt), the Manager shall hold such payment in trust for the benefit of the holders of the Senior Debt and forthwith pay it over to the Funding Agent. Amounts payable to the Manager in accordance with this Section 3 which remain unpaid by reason of the foregoing shall be accrued as a liability of the Company and shall be payable as soon as the conditions to payment are fulfilled. The deferred portion of the Management Fees will bear interest at the rate of ten percent (10%) per annum, compounded annually, from the date otherwise due and payable until the payment thereof.

As used herein, (i) "Credit Agreement" means the Credit Agreement, dated as of November 12, 1999, among Falcon Cable Communications, LLC, certain of its affiliates, the Lenders parties thereto, Toronto Dominion (Texas), Inc., as Administrative Agent (the "Funding Agent"), and various Syndication and other Agents named therein, as amended, restated, supplemented or otherwise modified from time to time, and (ii) "Senior Debt" means the principal amount of all loans and guarantee obligations from time to time outstanding or owing under the Credit Agreement and the other loan documents executed and delivered by the Company pursuant thereto, together with interest thereon (including any interest subsequent to any filing for Reorganization, whether or not such interest would constitute an allowed claim, calculated at the rate set forth for overdue loans in the Credit Agreement) and all other obligations of the Company under the Credit Agreement and such other loan documents.

(b) Notwithstanding any termination of this Agreement pursuant to Section 4, the Manager shall, subject to the limitations set forth in the preceding paragraphs above, remain entitled (i) to receive the Management Fees set forth in Section 3(a) incurred prior to the date of termination which have not been paid to the Company; and (ii) to receive payment of the deferred Management Fees at the time of such termination if, and to the extent that, payment thereof is otherwise permitted under Section 3(a).

4. Effective Date. This Agreement shall become effective only upon the closing (the "Effective Date") of the initial public offering of the Manager as contemplated by its Registration Statement on Form S-1 filed with the Securities and Exchange Commission.

5. Term of Agreement. The term of this Agreement shall be ten years commencing on the Effective Date, unless sooner terminated pursuant to the terms of this Agreement. This Agreement may be terminated as follows: (a) by the Company immediately upon written notice to the manager for Cause (as defined below) or (b) automatically on the consummation of the sale of all or substantially all of the Company's assets. For purposes hereof, "Cause" shall exist if the Manager has engaged in gross negligence or willful misconduct in the performance of its duties hereunder which could have a material adverse effect on the Company.

6. Liability. The Company shall bear any and all expenses, liabilities, losses or damages resulting from the operation of the Cable Systems, and the Manager, its partners, officers, directors and employees shall not, under any circumstances, be held liable therefor, except that the Manager shall be liable for any loss or damage which results from its own gross negligence or willful misconduct. Neither the Manager nor any of its partners, members, officers, directors and employees shall be held to have incurred any liability to the Company, the Cable Systems or any third party by virtue of any action not constituting gross negligence or willful misconduct taken in good faith by it in discharge of its duties hereunder, and the Company agrees to indemnify the manager and its shareholders, partners, directors, officers and employees and hold the Manager and its partners, directors, officers and employees harmless with respect of the foregoing, including, but not limited to, reasonable attorneys' fees.

7. Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by a party pursuant to this Agreement shall be in writing and shall be deemed given upon receipt if personally delivered (including by messenger or recognized delivery or courier service) or on the date of receipt on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, delivered or addressed

as set forth below. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed receipt of the notice:

(a) If to the Company:

Falcon Cable Communications, LLC
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

(b) If to the Manager:

Charter Communications, Inc.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

8. Governing Law. This Agreement and the rights and obligations of the parties hereunder and the persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without giving effect to the choice of law principles thereof.

9. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns. This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement is not transferable or assignable by any of the parties hereto except as may be expressly provided herein. This Agreement may not be amended, supplemented or otherwise modified except in accordance with the Credit Agreement.

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

FALCON CABLE COMMUNICATIONS, LLC,
a Delaware limited liability company

By:____
Name:
Title:

CHARTER COMMUNICATIONS, INC.,
a Delaware corporation

By:____
Name:
Title:

EXHIBIT 10.2 (f)

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made as of the fourteenth day of February, 2000, by and among each of CC VIII Operating, LLC, a Delaware limited liability company ("CC VIII Operating"), Charter Telephone of Michigan, LLC, a Delaware limited liability company ("Charter Michigan"), Charter Telephone of Minnesota, LLC, a Delaware limited liability company ("Charter Minnesota") and Midwest Video Electronics, Inc., a Minnesota corporation ("Midwest" and collectively with CC VIII Operating, Charter Michigan, and Charter Minnesota, the "Company"), and Charter Communications, Inc., a Delaware corporation (the "Manager").

A. The Company desires to retain the Manager to manage and operate the cable television systems owned by the Company and its subsidiaries and any cable television systems subsequently acquired by the Company and its subsidiaries (the "Cable Systems").

B. The Manager has agreed to manage and operate the Cable Systems, all upon the terms and conditions hereinafter set forth.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Retention of the Manager. The Company hereby appoints the Manager as a manager for the Cable Systems, and the Manager hereby agrees to serve the Company as a manager for the Cable Systems, pursuant to the terms and conditions hereinafter set forth.

2. Authority and Duties of the Manager.

(a) The Company agrees to seek the advice of the Manager regarding the business, properties and activities of the Cable Systems during the term hereof, and subject to the direction, control and general supervision of the Company, the Manager agrees to provide such advice. The Manager shall give such advice in a businesslike, efficient, lawful and professional manner in accordance with this Agreement.

(b) Without limiting the generality of the foregoing, the Manager shall provide all management services with respect to the operation of the Cable Systems, including, but not limited to, the following:

(i) advice concerning the hiring, termination, performance and training of personnel;

(ii) review, consultation and advice concerning personnel, operations, engineering and other management and operating policies and procedures;

(iii) review, consultation and advice concerning maintenance standards for plant and equipment of the Cable Systems, advice as to the Cable

Systems' normal repairs, replacements, maintenance and plant upgrades, and provide for periodic inspections;

(iv) recommendations on all necessary action to keep the operation of the Cable Systems in compliance, in all material respects, with the conditions of the Company's franchises and all applicable rules, regulations and orders of any federal, state, county or municipal authority having jurisdiction over the Cable Systems;

(v) assistance in the negotiation of, or directly negotiate, on behalf of the Company, operating agreements (including, but not limited to, pole attachment agreements, office and headend leases, easements and right-of-way agreements), contracts for the purchase, lease, license or use of properties, equipment and rights as may be necessary or desirable in connection with the operation or maintenance of the Cable Systems and such other agreements on behalf of the Company as are necessary or advisable for the Cable Systems and assistance in the procuring, or directly procuring, on behalf of the Company, such programming, billing and other services and equipment deemed necessary and advisable for the Cable Systems;

(vi) development of recommendations for, and negotiate the acquisition and maintenance of, such insurance coverage with respect to the Cable Systems as the Company may determine upon advice and consultation of the Manager;

(vii) guidance on all marketing, sales promotions and advertising for the Cable Systems;

(viii) assistance in the financial budgeting process and the implementation of appropriate accounting, financial, administrative and managerial controls for the Cable Systems;

(ix) preparation for use by the Company of financial reports and maintenance of books of accounts and other records reflecting the results of operation of each Cable System and/or subsidiary; and

(x) advice and consultation with the Company in connection with any and all aspects of the Cable Systems and the day to day operation thereof and consultation with the Company with respect to the selection of attorneys, consultants and accountants.

3. Management Expenses.

(a) The Manager shall charge to, or be reimbursed by the Company for, all expenses, costs, losses, liabilities or damages incurred by the Manager attributable to the ownership or operation of the Cable Systems, including, where applicable, pro rata allocation for services and purchases made by the Manager on behalf of the Cable Systems and other companies and cable systems managed by the Manager, subject to the limitations set forth in Section 6 (the "Company Expenses"). In addition to reimbursement for Company Expenses, the Manager shall be reimbursed for all other expenses, costs, losses, liabilities or damages incurred by the Manager in connection with the performance of its duties hereunder, including, without limitation, the Manager's costs for overhead, administration and salaries (collectively, the "Management Fee"), provided that the Management Fee shall not include expenses incurred by Manager that are in the nature of the "Company Expenses" and are paid to the Manager by another company or cable system managed by Manager. Management Fees shall only be paid to the Manager by the Company to the extent permitted by the Credit Agreement (as defined below) and any other material agreement applicable to the Company or the Manager.

Notwithstanding the foregoing, the Management Fees (but not other Company Expenses) due and payable as provided in the preceding paragraph of this Section 3 shall be subordinated and junior in right of payment to the prior payment in full in cash of all of the Senior Debt (as defined below) and shall not be paid except to the extent allowed under the Credit Agreement (as defined below). In the event of any bankruptcy or similar proceeding relative to the Company (a "Reorganization"), then all of the Senior Debt shall first be paid in full in cash before any payment of the Management Fees is made, and in any Reorganization any amount payable in respect of the Management Fees shall be paid directly to the Administrative Agent referred to below, unless all the Senior Debt has been paid in full in cash. The Manager hereby irrevocably authorizes the Administrative Agent (under and as defined in the Credit Agreement), as attorney-in-fact for the Manager, to vote, file or prove any claim or proof of claim in any Reorganization in respect of the Management Fees and to demand, sue for, collect and receive any such payment. The Manager shall take any actions requested by the Administrative Agent in order to accomplish any of the foregoing. If the Manager receives any payment hereunder in violation of the terms hereof or in connection with any Reorganization (prior to the payment in full in cash of the Senior Debt), the Manager shall hold such payment in trust for the benefit of the holders of the Senior Debt and forthwith pay it over to the Administrative Agent. Amounts payable to the Manager in accordance with this Section 3 which remain unpaid by reason of the foregoing shall be accrued as a liability of the Company and shall be payable as soon as the conditions to payment are fulfilled. The deferred portion of the Management Fees will bear interest at the rate of ten percent (10%) per annum, compounded annually, from the date otherwise due and payable until the payment thereof.

As used herein, (i) "Credit Agreement" means the Credit Agreement, dated as of February 2, 1999, as amended and restated as of February 14, 2000 among CC VIII Holdings, LLC, a Delaware limited liability company, CC VIII Operating, as borrower thereunder, the Lenders parties thereto and the Documentation Agents, Syndication Agents and Administrative Agent named therein, as amended, restated, supplemented or otherwise modified from time to time, and (ii) "Senior Debt" means the principal amount of all loans and guarantee obligations from time to time outstanding or owing under the Credit Agreement and the other loan documents executed and delivered by the Company pursuant thereto, together with interest thereon (including any interest subsequent to any filing for Reorganization, whether or not such interest would constitute an allowed claim, calculated at the rate set forth for overdue loans in the Credit Agreement) and all other obligations of the Company under the Credit Agreement and such other loan documents.

(b) Notwithstanding any termination of this Agreement pursuant to Section 4, the Manager shall, subject to the limitations set forth in the preceding paragraphs above, remain entitled (i) to receive the Management Fees set forth in Section 3(a) incurred prior to the date of termination which have not been paid to the Company; and (ii) to receive payment of the deferred Management Fees at the time of such termination if, and to the extent that, payment thereof is otherwise permitted under Section 3(a).

4. Term of Agreement. The term of this Agreement shall be ten years commencing on the date hereof, unless sooner terminated pursuant to the terms of this Agreement. This Agreement may be terminated as follows: (a) by the Company immediately upon written notice to the Manager for Cause (as defined below) or (b) automatically on the consummation of the sale of all or substantially all of the Company's assets. For purposes hereof, "Cause" shall exist if the Manager has engaged in gross negligence or willful misconduct in the performance of its duties hereunder which could have a material adverse effect on the Company.

5. Liability. The Company shall bear any and all expenses, liabilities, losses or damages resulting from the operation of the Cable Systems, and the Manager, its partners, officers, directors and employees shall not, under any circumstances, be held liable therefor, except that the Manager shall be liable for any loss or damage which results from its own gross negligence or willful misconduct. Neither the Manager nor any of its partners, members, officers, directors and employees shall be held to have incurred any liability to the Company, the Cable Systems or any third party by virtue of any action not constituting gross negligence or willful misconduct taken in good faith by it in discharge of its duties hereunder, and the Company agrees to indemnify the manager and its shareholders, partners, directors, officers and employees and hold the Manager and its partners, directors, officers and employees harmless with respect of the foregoing, including, but not limited to, reasonable attorneys' fees.

6. Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by a party pursuant to this Agreement shall be in writing and shall be deemed given upon receipt if personally delivered (including by messenger or recognized delivery or courier service) or on the date of receipt on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, delivered or addressed as set forth below. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed receipt of the notice:

(a) If to the Company:

c/o Charter Communications, Inc.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

(b) If to the Manager:

Charter Communications, Inc.
12444 Powerscourt Drive, Suite 400
St. Louis, Missouri 63131
Attention: Jerald L. Kent

7. Governing Law. This Agreement and the rights and obligations of the parties hereunder and the persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without giving effect to the choice of law principles thereof.

8. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns. This Agreement embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement is not transferable or assignable by any of the parties hereto except as may be expressly provided herein. This Agreement may not be amended, supplemented or otherwise modified except in accordance with the Credit Agreement.

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

"Company"

CC VIII OPERATING, LLC
a Delaware limited liability company

By: /s/ Marcy Lifton
Name: Marcy Lifton
Title: Vice President

CHARTER TELEPHONE OF MICHIGAN, LLC,
a Delaware limited liability company

By: /s/ Marcy Lifton
Name: Marcy Lifton
Title: Vice President

CHARTER TELEPHONE OF MINNESOTA, LLC,
a Delaware limited liability company

By: /s/ Marcy Lifton
Name: Marcy Lifton
Title: Vice President

MIDWEST VIDEO ELECTRONICS, INC.
a Minnesota corporation

By: /s/ Marcy Lifton
Name: Marcy Lifton
Title: Vice President

CHARTER COMMUNICATIONS, INC.,
a Delaware corporation

By: /s/ Marcy Lifton
Name: Marcy Lifton
Title: Vice President

EXHIBIT 10.4(c)

AMENDMENT NO. 2 TO THE
CHARTER COMMUNICATIONS HOLDINGS, LLC
1999 OPTION PLAN

This Amendment No. 2 (the "Amendment") to the Charter Communications Holdings, LLC 1999 Option Plan, as amended by Amendment No. 1 (the "Plan"), made pursuant to action of the Board of Directors of Charter Communications Holding Company, LLC as assignee of Charter Communications Holdings, LLC, pursuant to Section 8.1 of the Plan, is dated as of March 28, 2000.

The Plan is hereby amended as follows:

1. The title of the Plan is hereby changed to "The Charter Communications Option Plan."

2. Section 1(e) is amended as follows:

"Board" means the board of directors of the Company, provided that from and after the date the Company or its parent completes an initial public offering, it shall mean the board of directors of the Public Company."

3. A new section 6.11 is hereby added as follows:

"6.11 Fractional Shares. No fractional Membership Interests shall be issued under the Plan. In the event that the exercise of options results in the right of an Optionee to receive a fraction of a Membership Interest, then the Company shall pay to the Optionee cash in lieu of such fractional membership interest.

The terms of the Plan shall remain in full force and effect without modification or amendment except as expressly set forth herein.

EXHIBIT 10.18(a)
EXECUTION COPY

$900,000,000
AMENDED AND RESTATED CREDIT AGREEMENT

CC VIII OPERATING, LLC,
as Borrower

CC VIII HOLDINGS, LLC,
as Guarantor

TD SECURITIES (USA) INC. and CHASE SECURITIES INC.,
as Joint Lead Arrangers and Joint Book Managers

CHASE SECURITIES INC., as Syndication Agent

TORONTO DOMINION (TEXAS), INC.,
as Administrative Agent

BANK OF NOVA SCOTIA, THE BANK OF NEW YORK, INC.
and BANC OF AMERICA SECURITIES LLC, as Documentation Agents

Dated as of February 2, 1999,
as Amended and Restated as of February 14, 2000

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ANNEX:

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT, dated as of February 2, 1999, as amended and restated as of February 14, 2000, among CC VIII HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), CC VIII OPERATING, LLC, a Delaware limited liability company (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), BANK OF NOVA SCOTIA, THE BANK OF NEW YORK, INC. and BANC OF AMERICA SECURITIES LLC, as documentation agents (in such capacity, the "Documentation Agents"), CHASE SECURITIES INC., as syndication agent (in such capacity, the "Syndication Agent"), and TORONTO DOMINION (TEXAS), INC., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Borrower entered into a Loan Agreement, dated as of February 2, 1999 (the "Existing Credit Agreement"), with Toronto Dominion (Texas), Inc., as administrative agent, the financial institutions parties thereto as lenders and certain other parties;

WHEREAS, the parties hereto have agreed to amend and restate the Existing Credit Agreement as provided in this Agreement, which Agreement shall become effective upon the satisfaction of the conditions precedent set forth in Section 5.1 hereof; and

WHEREAS, 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;

NOW, THEREFORE, in consideration of the above premises, the parties hereto hereby agree that on the Restatement Effective Date (as defined below) the Existing Credit Agreement shall be amended and restated in its entirety as follows:

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Accumulated Benefit Obligations": 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.

"Addendum": an instrument, substantially in the form of Exhibit D-1, by which a Lender consents to the amendment and restatement of the Existing Credit Agreement pursuant hereto or becomes a party to this Agreement as of the Restatement Effective Date.

"Adjustment Date": as defined in the Pricing Grid.

"Administrative Agent": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agents": the collective reference to the Syndication Agent, the Documentation Agents and the Administrative Agent.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to the sum of (a) the aggregate then unpaid principal amount of such Lender's Term Loans, (b) the amount of such Lender's unutilized Tranche A Incremental Term Commitment then in effect and (c) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Annualized Asset Cash Flow Amount": with respect to any Disposition of assets, an amount equal to the portion of Consolidated Operating Cash Flow for the most recent Asset Disposition Test Period ending prior to the date of such Disposition which was contributed by such assets multiplied by four.

"Annualized Operating Cash Flow": for any fiscal quarter, an amount equal to Consolidated Operating Cash Flow for such period multiplied by four.

"Annualized Pro Forma Operating Cash Flow": an amount, determined on any Disposition Date in connection with any proposed Disposition pursuant to Section 7.5(e), equal to Consolidated Operating Cash Flow for the most recent Asset Disposition Test Period multiplied by four, calculated in the manner contemplated by Section 1.2(e) but excluding the effect of such Disposition.

"Applicable Margin": (a) with respect to Tranche A Term Loans, Tranche B Term Loans, Revolving Loans and Swingline Loans, the per annum rates determined in accordance with the Pricing Grid and (b) with respect to Incremental Term Loans, such per annum rates as shall be agreed to by the Borrower and the applicable Incremental Term Lenders as shown in the applicable Increased Facility Activation Notice.

"Application": an application, in such form as the relevant Issuing Lender may specify from time to time, requesting such Issuing Lender to open a Letter of Credit.

"Approved Fund": with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Asset Disposition Test Period": as of any date of determination, the most recent fiscal quarter as to which financial statements have been delivered pursuant to Section 6.1.

"Asset Sale": any Disposition of property or series of related Dispositions of property (excluding (a) Exchanges pursuant to which no cash consideration is received by the Borrower or any of its Subsidiaries and (b) any such Disposition permitted by clause (a), (b), (c) or (d) of Section 7.5) that yields gross cash proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit E.

""Assignor": as defined in Section 10.6(c).

"Attributable Debt": in respect of a sale and leaseback transaction entered into by Holdings, the Borrower or any of its Subsidiaries, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the sole option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Authorizations": all filings, recordings and registrations with, and all validations or exemptions, approvals, orders, authorizations, consents, Licenses, certificates and permits from, the FCC, applicable public utilities and other Governmental Authorities, including, without limitation, CATV Franchises, FCC Licenses and Pole Agreements.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender's Revolving Extensions of Credit for the purpose of determining such Lender's Available Revolving Commitment pursuant to Section 2.6(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Budget": as defined in Section 6.2(c).

"Business": as defined in Section 4.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City or Houston, Texas are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the London, England interbank eurodollar market.

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

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at the time of acquisition at least A-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at the time of acquisition at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"CATV Franchise": collectively, with respect to the Borrower and its Subsidiaries, (a) any franchise, license, permit, wire agreement or easement granted by any political jurisdiction or unit or other local, state or federal franchising authority (other than licenses, permits and easements not material to the operations of a CATV System) pursuant to which such Person has the right or license to operate a CATV System and (b) any law, regulation, ordinance, agreement or other instrument or document setting forth all or any part of the terms of any franchise, license, permit, wire agreement or easement described in clause (a) of this definition.

"CATV System": any cable distribution system owned or acquired by the Borrower or any of its Subsidiaries which receives audio, video, digital, other broadcast signals or information or telecommunications by cable, optical, antennae, microwave or satellite transmission and which amplifies and transmits such signals to customers of the Borrower or any of its Subsidiaries.

"Charter Acquisition": as defined in Section 5.1(b).

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by the Guarantee and Collateral Agreement.

"Commitment Fee Rate": the per annum rate determined in accordance with the Pricing Grid.

"Commonly Controlled Entity": 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.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Conduit Lender": any special purpose corporation designated by any Lender for the purpose of making Loans hereunder otherwise required to be made by such Lender and designated by such Lender in a written instrument, subject to the consent of the Administrative Agent and the Borrower; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.16, 2.17, 2.18 or 10.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Tranche A Incremental Term Commitment or Revolving Commitment hereunder.

"Conduit Participant": any trust, partnership, limited liability company or other entity that (a) is organized under the laws of the United States or any state thereof, (b) is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (c) is organized, managed or sponsored by any Lender.

"Confidential Information Memorandum": the collective reference to (a) the Confidential Information Memorandum dated December 1999 and furnished to certain of the Lenders in connection with the syndication of certain of the Facilities prior to the Restatement Effective Date and (b) any other information memorandum authorized by the Borrower to be distributed to one or more Lenders or prospective Lenders in connection with any other syndication of any of the Facilities (including in connection with any increase in the amount thereof).

"Consideration": with respect to any Investment or Disposition, (a) any cash or other property (valued at fair market value in the case of such other property) paid or transferred in connection therewith, (b) the principal amount of any Indebtedness assumed in connection therewith and (c) any letters of credit, surety arrangements or security deposits posted in connection therewith.

"Consolidated Debt Service Coverage Ratio": as of the last day of any period, the ratio of (a) Annualized Operating Cash Flow determined in respect of the fiscal quarter ending on such day to (b) the sum of (i) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such day and (ii) scheduled principal payments on Indebtedness of the Borrower or any of its Subsidiaries for the period of four consecutive fiscal quarters commencing immediately after such day (or, in the case of the Revolving Facility, the excess, if any, of the Total Revolving Extensions of Credit outstanding on such day over the amount of the Total Revolving Commitments scheduled to be in effect at the end of such period of four consecutive fiscal quarters); provided, however, that the final scheduled installment of principal of the Tranche B Term Facility and the Incremental Term Facility shall be excluded from the calculation of amounts under this clause (ii).

"Consolidated Interest Coverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Operating Cash Flow for the period of four consecutive fiscal quarters ending on such day to (b) Consolidated Interest Expense for the period of four consecutive fiscal quarters ending on such day.

"Consolidated Interest Expense": for any period, the sum of (a) total cash interest expense (including that attributable to Capital Lease Obligations) of the Borrower and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers= acceptance financing and net costs under Hedge Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP) and (b) all Restricted Payments made by the Borrower during such period in order to enable any of its Affiliates to pay cash interest expense in respect of Indebtedness of such Affiliate.

"Consolidated Leverage Ratio": as of the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Annualized Operating Cash Flow determined in respect of the fiscal quarter ending on such day.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that, GAAP to the contrary notwithstanding, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Subsidiary of the Borrower (including any Excluded Acquired Subsidiary) to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary and (d) whether or not distributed, the income of any Non-Recourse Subsidiary.

"Consolidated Operating Cash Flow": as applied to the Borrower and its Subsidiaries, on a consolidated basis, in respect of any period, the sum of the Consolidated Net Income for such period plus Consolidated Interest Expense, depreciation, amortization, tax expense, distributions in respect of monitoring fees paid (not to exceed $550,000 for any calendar year), deferred compensation expenses, any expense for the split dollar life insurance policy in respect of William Bresnan, including any finance expense with respect thereto, and other non-cash or non-recurring expenses deducted in determining such Consolidated Net Income; provided, that extraordinary gains or losses shall not be taken into account in determining Consolidated Net Income for purposes of determining Consolidated Operating Cash Flow, and gains or losses from the sale of assets and investment activities shall be excluded from such calculation; and, provided, further, that payments in respect of the redemption of management participation units in the ordinary course of business shall be deemed to be a non-recurring expense. For purposes of this Agreement, "Consolidated Operating Cash Flow" of the Borrower shall not include as an addition or a deduction losses associated with high speed data and telephony services up to an aggregate amount of $15,000,000 for all periods prior to and including December 31, 2003.

"Consolidated Total Debt": at any date, the aggregate principal amount of all Indebtedness (other than any contingent obligations for standby letters of credit entered into in the ordinary course of business such as in lieu of bonds, security deposits and the like, not constituting L/C Obligations) of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Contractual Obligation": as to any Person, any provision of any debt or equity security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Default Rate": the rate referred to in Section 2.12(c).

"Disposition": with respect to any property, any sale, lease (other than leases in the ordinary course of business, including leases of excess office space and fiber leases), sale and leaseback, assignment, conveyance, transfer or other disposition thereof, including pursuant to an exchange for other property. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disposition Date": as defined in Section 7.5(e).

"Documentation Agents": as defined in the preamble hereto.

"Dollars" and "$": dollars in lawful currency of the United States.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

"Environmental Laws": any and all foreign, federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Equity Interests": 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": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, 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 Dow Jones Markets screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Dow Jones Markets screen (or otherwise on such screen), the "Eurodollar Base 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 Business 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.

"Eurodollar Loans": Loans for which the applicable rate of interest is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

Eurodollar Base Rate
1.00 - Eurocurrency Reserve Requirements

"Eurodollar Tranche": the collective reference to Eurodollar Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange": any exchange of operating assets for other operating assets in a Permitted Line of Business and, subject to the last sentence of this definition, of comparable value and use to those assets being exchanged, including exchanges involving the transfer or acquisition (or both transfer and acquisition) of Equity Interests of a Person so long as 100% of the Equity Interests of such Person are transferred or acquired, as the case may be. It is understood that exchanges of the kind described above as to which a portion of the consideration paid or received is in the form of cash shall nevertheless constitute "Exchanges" for the purposes of this Agreement so long as the aggregate consideration received by the Borrower and its Subsidiaries in connection with such exchange represents fair market value for the assets and cash being transferred by the Borrower and its Subsidiaries.

"Exchange Excess Amount": as defined in Section 7.5(f).

"Excluded Acquired Subsidiary": any Subsidiary described in Section 7.2(g) to the extent that the documentation governing the Indebtedness referred to in said paragraph prohibits such Subsidiary from becoming a Subsidiary Guarantor, but only so long as such Indebtedness remains outstanding.

"Existing Credit Agreement": as defined in the recitals.

"Existing Tranche A Term Loan": as defined in Section 2.1(a).

"Facility": each of (a) the Tranche A Incremental Term Commitments and the Tranche A Term Loans (the "Tranche A Term Facility"), (b) the Tranche B Term Loans (the "Tranche B Term Facility"), (c) the Incremental Term Loans (the "Incremental Term Facility") and (d) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility").

"FCC": the Federal Communications Commission and any successor thereto.

"FCC License": any community antenna relay service, broadcast auxiliary license, earth station registration, business radio, microwave or special safety radio service license issued by the FCC pursuant to the Communications Act of 1934, as amended.

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Flow-Through Entity": any Person that is not treated as a separate tax paying entity for United States federal income tax purposes.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funding Office": the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements delivered pursuant to Section 4.1. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Majority Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. "Accounting Changes" refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term "Guarantee Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantors": the collective reference to Holdings and the Subsidiary Guarantors.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": as defined in the preamble hereto, together with any successor thereto pursuant to Section 7.4(e).

"Holdings Debt": any Indebtedness of Holdings.

"Increased Facility Activation Date": any Business Day on which any Lender shall execute and deliver to the Administrative Agent an Increased Facility Activation Notice pursuant to Section 2.1(c).

"Increased Facility Activation Notice": a notice substantially in the form of Exhibit D-3.

"Increased Facility Closing Date": any Business Day designated as such in an Increased Facility Activation Notice.

"Incremental Term Facility": as defined in the definition of "Facility".

"Incremental Term Lenders": (a) on any Increased Facility Activation Date relating to Incremental Term Loans, the Lenders signatory to the relevant Increased Facility Activation Notice and (b) thereafter, each Lender that is a holder of an Incremental Term Loan.

"Incremental Term Loans": as defined in Section 2.1(a).

"Incremental Term Maturity Date": with respect to the Incremental Term Loans to be made pursuant to any Increased Facility Activation Notice, the maturity date specified in such Increased Facility Activation Notice, which date shall be a date at least six months after the final maturity of the Tranche B Term Loans.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party under acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Equity Interests of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Hedge Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three, six or, if consented to by (which consent shall not be unreasonably withheld) each Lender under the relevant Facility, nine or twelve months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three, six or, if consented to by (which consent shall not be unreasonably withheld) each Lender under the relevant Facility, nine or twelve months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date or beyond the date final payment is due on the Tranche A Term Loans, the Tranche B Term Loans or the relevant Incremental Term Loans, as the case may be;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Investments": as defined in Section 7.7.

"Issuing Lender": each of the Administrative Agent and any other Revolving Lender that has agreed in its sole discretion to act as an "Issuing Lender" hereunder and that has been approved in writing by the Administrative Agent as an "Issuing Lender" hereunder, in each case in its capacity as issuer of any Letter of Credit.

"L/C Commitment": $25,000,000.

"L/C Fee Payment Date": the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": with respect to any Letter of Credit, the collective reference to all Revolving Lenders other than the Issuing Lender that issued such Letter of Credit.

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 3.1(a).

"License": as to any Person, any license, permit, certificate of need, authorization, certification, accreditation, franchise, approval, or grant of rights by any Governmental Authority or other Person necessary or appropriate for such Person to own, maintain, or operate its business or property, including FCC Licenses.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Loan": any loan made or held by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, any Notes and the Guarantee and Collateral Agreement.

"Loan Parties": Holdings, the Borrower and each Subsidiary of the Borrower that is a party to a Loan Document.

"Majority Facility Lenders": with respect to any Facility, the holders of 51% or more of the aggregate unpaid principal amount of the Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of 51% or more of the Total Revolving Commitments).

"Majority Lenders" shall mean, at any time, Lenders having 51% or more of the aggregate principal amount of all of the following (a) the Tranche A Term Loans then outstanding, (b) the Tranche B Term Loans then outstanding, (c) the Incremental Term Loans, if any, then outstanding, and (d)(i) until such time as the Revolving Commitments have been terminated or canceled, the Revolving Commitments, and (ii) thereafter, the Revolving Extensions of Credit then outstanding. For the purposes of this definition, any unutilized Tranche A Incremental Term Commitments shall be deemed to have been borrowed as Tranche A Term Loans.

"Management Fee Agreement": the Management Agreement, dated as of February 14, 2000, among the Borrower, its Subsidiaries and Charter Communications, Inc.

"Material Adverse Effect": a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of any material provision of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to the Guarantee and Collateral Agreement) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of Equity Interests or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Lender": as defined in Section 2.1(d).

"New Lender Supplement": as defined in Section 2.1(d).

"Non-Excluded Taxes": as defined in Section 2.17(a).

"Non-Recourse Subsidiary": (a) any Subsidiary of the Borrower created, acquired or activated by the Borrower or any of its Subsidiaries in connection with any Investment made pursuant to Section 7.7(g) and designated as such by the Borrower substantially concurrently with such creation, acquisition or activation and (b) any Subsidiary of such designated Subsidiary, provided, that (i) at no time shall any creditor of any such Subsidiary have any claim (whether pursuant to a Guarantee Obligation, by operation of law or otherwise) against the Borrower or any of its other Subsidiaries (other than another Non-Recourse Subsidiary) in respect of any Indebtedness or other obligation of any such Subsidiary (other than in respect of a non-recourse pledge of Equity Interests in such Subsidiary); (ii) neither the Borrower nor any of its Subsidiaries (other than another Non-Recourse Subsidiary) shall become a general partner of any such Subsidiary; (iii) no default with respect to any Indebtedness of any such Subsidiary (including any right which the holders thereof may have to take enforcement action against any such Subsidiary) shall permit (upon notice, lapse of time or both) any holder of any Indebtedness of the Borrower or its other Subsidiaries (other than another Non-Recourse Subsidiary) to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity; (iv) no such Subsidiary shall own any Equity Interests of, or own or hold any Lien on any property of, the Borrower or any other Subsidiary of the Borrower (other than another Non-Recourse Subsidiary); (v) no Investments may be made in any such Subsidiary by the Borrower or any of its Subsidiaries (other than another Non-Recourse Subsidiary) except pursuant to Section 7.7(g); (vi) the Borrower shall not directly own any Equity Interests in such Subsidiary; and (vii) at the time of such designation, no Default or Event of Default shall have occurred and be continuing or would result therefrom. It is understood that Non-Recourse Subsidiaries shall be disregarded for the purposes of any calculation pursuant to this Agreement relating to financial matters with respect to the Borrower.

"Non-U.S. Lender": as defined in Section 2.17(d).

"Notes": the collective reference to any promissory note evidencing Loans.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6(b).

"Paul Allen Contributions": any capital contribution made by Paul G. Allen or any of his Affiliates, directly or indirectly, to the Borrower or any of its Subsidiaries.

"Paul Allen Group": 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.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Line of Business": as defined in Section 7.14(a).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": 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.

"Pole Agreement": any pole attachment agreement or underground conduit use agreement entered into in connection with the operation of any CATV System.

"Pricing Grid": the pricing grid attached hereto as Annex A.

"Prime Rate": the rate of interest per annum publicly announced from time to time by the Administrative Agent or its relevant affiliate as its prime rate in effect (the Prime Rate not being intended to be the lowest rate of interest charged by the Administrative Agent or its relevant affiliate in connection with extensions of credit to debtors).

"Properties": as defined in Section 4.17(a).

"Qualified Indebtedness": (a) with respect to a Qualified Parent Company, any Indebtedness (i) which is issued in a Rule 144A private placement or registered public offering, (ii) which is not held by any Affiliate of the Borrower and (iii) as to which 100% of the Net Cash Proceeds thereof are used by such Qualified Parent Company to make Investments in one or more of its Subsidiaries engaged substantially in businesses of the type described in Section 7.14(a) and/or to refinance other Qualified Indebtedness or Indebtedness of the Borrower and (b) with respect to an Affiliate of the Borrower, any Indebtedness as to which 100% of the Net Cash Proceeds thereof were contributed to the Borrower.

"Qualified Parent Company": Charter Communications Holding Company, LLC or any of its direct or indirect Subsidiaries, in each case provided that the Borrower shall be a Subsidiary of such Person.

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrower or any of its Subsidiaries.

"Refunded Swingline Loans": as defined in Section 2.5(b).

"Refunding Date": as defined in Section 2.5(c).

"Register": as defined in Section 10.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the relevant Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Reinvestment Deadline": as defined in the definition of "Reinvestment Notice".

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by the Borrower or any of its Subsidiaries in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.9(a) as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer and delivered to the Administrative Agent within twelve months after any Asset Sale or Recovery Event, stating that (a) no Event of Default has occurred and is continuing, (b) the Borrower (directly or indirectly through a

Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of such Asset Sale or Recovery Event to acquire assets useful in its business, on or prior to the earlier of (i) the date that is eighteen months from the date of receipt of such Net Cash Proceeds and (ii) the date on which such proceeds would be required to be applied, or to be offered to be applied, to prepay, redeem or defease any Indebtedness of the Borrower or any of its Affiliates (other than Indebtedness under this Agreement) if not applied as described above (such earlier date, the "Reinvestment Deadline"), and (c) such use will not require redemptions or prepayments (or offers to make redemptions or prepayments) of any other Indebtedness of the Borrower or any of its Affiliates.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the relevant Reinvestment Deadline and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": 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.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer": the chief executive officer, president or chief financial officer of the Borrower, but in any event, with respect to financial matters, any of the chief financial officer or any other financial officer of the Borrower.

"Restatement Effective Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date is February 14, 2000.

"Restatement Signing Date": the date on which the condition described in Section 5.1(a)(ii) shall have been satisfied.

"Restricted Payments": as defined in Section 7.6.

"Revolving Aggregate Committed Amount": the sum of the Total Revolving Commitments as in effect on the Restatement Effective Date and the amount of any increases therein effected pursuant to Section 2.1(c).

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance or New Lender Supplement pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The amount of the Total Revolving Commitments as of the Restatement Effective Date is $200,000,000.

"Revolving Commitment Period": the period from and including the Restatement Effective Date to the Revolving Termination Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

"Revolving Facility": as defined in the definition of "Facility".

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Extensions of Credit.

"Revolving Loans": as defined in Section 2.1(b).

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments (or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding).

"Revolving Termination Date": June 30, 2007.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Shell Subsidiary": any Subsidiary of the Borrower that is a "shell" company having (a) assets (either directly or through any Subsidiary or other Equity Interests) with an aggregate value not exceeding $10,000 and (b) no operations.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Solvent": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specified Agents": the collective reference to the Administrative Agent and the Syndication Agent.

"Specified Change of Control": a "Change of Control" or any defined term having a comparable purpose contained in the documentation governing any Holdings Debt or any Specified Long-Term Indebtedness having an aggregate outstanding principal amount in excess of $25,000,000.

"Specified Holdings Subsidiary": each Subsidiary of Holdings other than the Borrower and its Subsidiaries.

"Specified Long-Term Indebtedness": any Indebtedness incurred pursuant to Section 7.2(f).

"Specified Subordinated Debt": 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 terms and conditions substantially identical to those set forth in Exhibit H.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person; provided, that Non-Recourse Subsidiaries shall be deemed not to constitute "Subsidiaries" for the purposes of this Agreement (other than the definition of "Non-Recourse Subsidiary"). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Subsidiary of the Borrower other than any Foreign Subsidiary and any Excluded Acquired Subsidiary.

"Swingline Commitment": the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.4 in an aggregate principal amount at any one time outstanding not to exceed $25,000,000.

"Swingline Lender": Toronto Dominion (Texas), Inc., in its capacity as the lender of Swingline Loans.

"Swingline Loans": as defined in Section 2.4.

"Swingline Participation Amount": as defined in Section 2.5.

"Syndication Agent": as defined in the preamble hereto.

"Term Lenders": the collective reference to the Tranche A Term Lenders, the Tranche B Term Lenders and the Incremental Term Lenders.

"Term Loans": the collective reference to the Tranche A Term Loans, the Tranche B Term Loans and the Incremental Term Loans.

"Threshold Management Fee Date": any date on which, both before and after giving pro forma effect to the payment of any previously deferred management fees pursuant to Section 7.8(c) (including any Indebtedness incurred in connection therewith), the Consolidated Interest Coverage Ratio, determined in respect of the most recent period of four consecutive fiscal quarters for which the relevant financial information is available, is greater than 2.25 to 1.0.

"Threshold Transaction Date": 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 period of four consecutive fiscal quarters for which the relevant financial information is available, is greater than 1.75 to 1.0.

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"Tranche A Aggregate Funded Amount": the sum of (i) the aggregate principal amount of Existing Tranche A Term Loans outstanding on the Restatement Effective Date, (ii) the aggregate principal amount of Tranche A Incremental Term Loans made pursuant to Section 2.1(a) and (iii) the aggregate principal amount of Tranche A Term Loans made pursuant to Section 2.1(c).

"Tranche A Incremental Term Commitment": as to any Tranche A Term Lender, the obligation of such Lender (if any) to make Tranche A Incremental Term Loans to the Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Tranche A Incremental Term Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Tranche A Incremental Term Commitments is $75,000,000.

"Tranche A Incremental Term Commitment Termination Date": as defined in Section 2.1(a).

"Tranche A Incremental Term Lender": each Lender that has a Tranche A Incremental Term Commitment or is the holder of a Tranche A Incremental Term Loan.

"Tranche A Incremental Term Loan": as defined in Section 2.1(a).

"Tranche A Term Facility": as defined in the definition of "Facility".

"Tranche A Term Lender": each Lender that has a Tranche A Incremental Term Commitment or is the holder of a Tranche A Term Loan.

"Tranche A Term Loan": as defined in Section 2.1(a).

"Tranche A Term Percentage": as to any Tranche A Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Tranche A Term Loans then outstanding constitutes of the aggregate principal amount of all Tranche A Term Loans then outstanding.

"Tranche B Aggregate Funded Amount": the aggregate principal amount of Tranche B Term Loans outstanding on the Restatement Effective Date after giving effect to any borrowing under the Tranche B Incremental Term Commitment.

"Tranche B Incremental Term Commitment": as to any Tranche B Term Lender, the obligation of such Lender (if any) to make a Tranche B Term Loan to the Borrower hereunder on the Restatement Effective Date in a principal amount not to exceed the amount set forth under the heading "Tranche B Incremental Term Commitment" opposite such Lender's name on Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Tranche B Incremental Term Commitments is $125,000,000.

"Tranche B Term Facility": as defined in the definition of "Facility".

"Tranche B Term Lender": each Lender that holds a Tranche B Term Loan.

"Tranche B Term Loan": as defined in Section 2.1(a).

"Tranche B Term Percentage": as to any Tranche B Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Tranche B Term Loans then outstanding constitutes of the aggregate principal amount of all Tranche B Term Loans then outstanding.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"United States": the United States of America.

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Equity Interests of which (other than directors' qualifying shares required by law) are owned by such Person directly or through other Wholly Owned Subsidiaries or a combination thereof.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

1.2 Other Definitional Provisions; Pro Forma Calculations. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to Holdings, the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), and (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Equity Interests, securities, revenues, accounts, leasehold interests, contract rights and any other "assets" as such term is defined under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) For the purposes of calculating Annualized Operating Cash Flow, Annualized Pro Forma Operating Cash Flow, Consolidated Operating Cash Flow and Consolidated Interest Expense for any period (a "Test Period"), (i) if at any time from the period (a "Pro Forma Period") commencing on the second day of such Test Period and ending on the last day of such Test Period (or, in the case of any pro forma calculation made pursuant hereto in respect of a particular transaction, ending on the date such transaction is consummated and, unless otherwise expressly provided herein, after giving effect thereto), the Borrower or any Subsidiary shall have made any Material Disposition (as defined below), the Consolidated Operating Cash Flow for such Test Period shall be reduced by an amount equal to the Consolidated Operating Cash Flow (if positive) attributable to the property which is the subject of such Material Disposition for such Test Period or increased by an amount equal to the Consolidated Operating Cash Flow (if negative) attributable thereto for such Test Period, and Consolidated Interest Expense for such Test Period shall be reduced by an amount equal to the Consolidated Interest Expense for such Test Period attributable to any Indebtedness of the Borrower or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Borrower and its Subsidiaries in connection with such Material Disposition (or, if the Equity Interests of any Subsidiary are sold, the Consolidated Interest Expense for such Test Period directly attributable to the Indebtedness of such Subsidiary to the extent the Borrower and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition); (ii) if during such Pro Forma Period the Borrower or any Subsidiary shall have made a Material Acquisition (as defined below), Consolidated Operating Cash Flow and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Test Period; (iii) if during such Pro Forma Period any Person that subsequently became a Subsidiary or was merged with or into the Borrower or any Subsidiary since the beginning of such Pro Forma Period shall have entered into any disposition or acquisition transaction that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Borrower or a Subsidiary during such Pro Forma Period, Consolidated Operating Cash Flow and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such Test Period; and (iv) in the case of determinations in connection with transactions involving the incurrence of Indebtedness, Consolidated Interest Expense shall be calculated after giving pro forma effect thereto (and all other incurrences of Indebtedness during such Pro Forma Period) as if such Indebtedness was incurred on the first day of such Test Period. For the purposes of this paragraph, pro forma calculations regarding the amount of income or earnings relating to any Material Disposition or Material Acquisition and the amount of Consolidated Interest Expense associated with any discharge or incurrence of Indebtedness shall in each case be determined in good faith by a Responsible Officer of the Borrower. If any Indebtedness bears a floating rate of interest and the incurrence or assumption thereof is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the last day of the relevant Pro Forma Period had been the applicable rate for the entire relevant Test Period (taking into account any interest rate protection agreement applicable to such Indebtedness if such interest rate protection agreement has a remaining term in excess of 12 months). As used in this Section 1.2(e), "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (i) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the Equity Interests of a Person and (ii) involves the payment of Consideration by the Borrower and its Subsidiaries in excess of $1,000,000; and "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $1,000,000.

(f) In the event that, during the period between the Restatement Signing Date and the Restatement Effective Date, any changes are made in the organizational structure of the Borrower and its Affiliates that are otherwise permitted by this Agreement, appropriate changes to the definitions and other provisions hereof and of the other Loan Documents reflecting such changes may be made with the approval of the Administrative Agent.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments; Increases in the Tranche A Term Facility and the Revolving Facility; Incremental Term Loans. (a) Subject to the terms and conditions hereof, (i) each Tranche A Term Lender severally agrees to, as applicable (x) maintain hereunder its term loan referred to as a "Facility A Term Loan" in the Existing Credit Agreement (each, an "Existing Tranche A Term Loan") or (y) make one or more incremental term loans to the Borrower in an amount not to exceed the amount of the Tranche A Incremental Term Commitment of such Lender (each, a "Tranche A Incremental Term Loan" and, together with the Existing Tranche A Term Loans, each a "Tranche A Term Loan"), (ii) each Tranche B Term Lender severally agrees to, as applicable (x) maintain hereunder its term loan referred to as a "Facility B Term Loan" in the Existing Credit Agreement or (y) make an incremental term loan to the Borrower in an amount not to exceed the amount of the Tranche B Incremental Term Commitment of such Lender (each, a "Tranche B Term Loan") and (iii) each Incremental Term Lender severally agrees to make one or more term loans (each, an "Incremental Term Loan") to the extent provided in Section 2.1(c). The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.10. Tranche A Incremental Term Loans may be made on up to four dates during the period from the Restatement Effective Date through the first anniversary thereof (the "Tranche A Incremental Term Commitment Termination Date"); provided that 50% of the Tranche A Incremental Term Commitments shall be utilized prior to the six-month anniversary of the Restatement Effective Date. The Tranche A Incremental Term Commitments shall be permanently reduced on the date of any borrowing thereunder by the amount of such borrowing, and shall automatically terminate on the Tranche A Incremental Term Commitment Termination Date.

(b) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender's Revolving Commitment. If at any time the aggregate outstanding Revolving Extensions of Credit exceed $25,000,000, then the Tranche A Incremental Term Loans shall be drawn until the Tranche A Incremental Term Commitments have been fully utilized. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.10.

(c) The Borrower and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall make, obtain or increase the amount of their Tranche A Term Loans, Incremental Term Loans or Revolving Commitments, as applicable, by executing and delivering to the Administrative Agent an Increased Facility Activation Notice specifying (i) the amount of such increase and the Facility or Facilities involved, (ii) the applicable Increased Facility Closing Date and (iii) in the case of Incremental Term Loans, (x) the applicable Incremental Term Maturity Date, (y) the amortization schedule for such Incremental Term Loans, which shall comply with Section 2.3, and (z) the Applicable Margin for such Incremental Term Loans. Notwithstanding the foregoing, without the consent of the Majority Lenders, (i) the aggregate amount of borrowings of Incremental Term Loans shall not exceed an amount equal to (w) $200,000,000 plus (x) the aggregate principal amount of optional prepayments of Term Loans made pursuant to Section 2.8 or optional reductions of the Revolving Commitments pursuant to Section 2.7 (provided that the amount described in this clause (x) shall not exceed $100,000,000) minus (y) the aggregate amount of incremental Tranche A Term Loans or incremental Revolving Commitments obtained pursuant to this paragraph, (ii) the aggregate amount of incremental Tranche A Term Loans and incremental Revolving Commitments obtained pursuant to this paragraph shall not exceed $100,000,000, (iii) incremental Tranche A Term Loans may not be made on or after March 31, 2002, (iv) incremental Revolving Commitments may not be obtained on or after March 31, 2002, (v) each increase effected pursuant to this paragraph shall be in a minimum amount of at least $50,000,000 and (vi) no more than four Increased Facility Closing Dates may be selected by the Borrower after the Restatement Effective Date. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(d) Any additional bank, financial institution or other entity which, with the consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.1(c) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit D-2, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(e) Unless otherwise agreed by the Administrative Agent, on each Increased Facility Closing Date (other than in respect of Incremental Term Loans), the Borrower shall borrow Tranche A Term Loans under the increased Tranche A Term Facility, or shall borrow Revolving Loans under the increased Revolving Commitments, as the case may be, from each Lender participating in the relevant increase in an amount determined by reference to the amount of each Type of Loan (and, in the case of Eurodollar Loans, of each Eurodollar Tranche) which would then have been outstanding from such Lender if (i) each such Type or Eurodollar Tranche had been borrowed or effected on such Increased Facility Closing Date and (ii) the aggregate amount of each such Type or Eurodollar Tranche requested to be so borrowed or effected had been proportionately increased. The Eurodollar Base Rate applicable to any Eurodollar Loan borrowed pursuant to the preceding sentence shall equal the Eurodollar Base Rate then applicable to the Eurodollar Loans of the other Lenders in the same Eurodollar Tranche (or, until the expiration of the then-current Interest Period, such other rate as shall be agreed upon between the Borrower and the relevant Lender).

2.2 Procedure for Borrowing. In order to effect a borrowing hereunder, the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, Houston time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans), specifying (i) the Facility under which such Loan is to be borrowed, (ii) the amount and Type of Loans to be borrowed, (iii) the requested Borrowing Date and (iv) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Any Loans made on the Restatement Effective Date shall initially be ABR Loans. Each borrowing shall be in an aggregate amount equal to (x) in the case of ABR Loans, $5,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than $5,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, $10,000,000 or a whole multiple of $1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.5. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each relevant Lender thereof. Each relevant Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 11:00 A.M., Houston time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available not later than 2:00 P.M., Houston time, to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the relevant Lenders and in like funds as received by the Administrative Agent.

2.3 Repayment of Loans. (a) The Tranche A Term Loans of each Tranche A Term Lender shall mature in 22 consecutive quarterly installments, commencing on March 31, 2002, each of which shall be in an amount equal to such Lender's Tranche A Term Percentage multiplied by the percentage of the Tranche A Aggregate Funded Amount set forth below opposite such installment:

Installment	Percentage
March 31, 2002	2.5%
June 30, 2002	2.5%
September 30, 2002	2.5%
December 31, 2002	2.5%
March 31, 2003	3.75%
June 30, 2003	3.75%
September 30, 2003	3.75%
December 31, 2003	3.75%
March 31, 2004	3.75%
June 30, 2004	3.75%
September 30, 2004	3.75%
December 31, 2004	3.75%
March 31, 2005	5.0%
June 30, 2005	5.0%
September 30, 2005	5.0%
December 31, 2005	5.0%
March 31, 2006	6.25%
June 30, 2006	6.25%
September 30, 2006	6.25%
December 31, 2006	6.25%
March 31, 2007	7.5%
June 30, 2007	7.5%

(b) The Tranche B Term Loans of each Tranche B Term Lender shall mature in 25 consecutive quarterly installments (each due on the last day of each calendar quarter, except for the last such installment), commencing on March 31, 2002, each of which shall be in an amount equal to such Lender's Tranche B Term Percentage multiplied by (i) in the case of the first 24 such installments, 0.25% of the Tranche B Aggregate Funded Amount and (ii) in the case of the last such installment (which shall be due on February 2, 2008), 94.0% of the Tranche B Aggregate Funded Amount.

(c) The Incremental Term Loans of each Incremental Term Lender shall mature in consecutive installments (which shall be no more frequent than quarterly) as specified in the Increased Facility Activation Notice pursuant to which such Incremental Term Loans were made, provided that, prior to the date that is six months after the final maturity of the Tranche B Term Loans, the aggregate amount of such installments for any four consecutive fiscal quarters shall not exceed 1% of the aggregate principal amount of such Incremental Term Loans on the date such Loans were first made.

(d) The Total Revolving Commitments shall be permanently reduced on each of the dates set forth below by an aggregate amount equal to the percentage of the Revolving Aggregate Committed Amount set forth opposite such date:

Date	Percentage
March 31, 2002	2.5%
June 30, 2002	2.5%
September 30, 2002	2.5%
December 31, 2002	2.5%

March 31, 2003	3.75%
June 30, 2003	3.75%
September 30, 2003	3.75%
December 31, 2003	3.75%
March 31, 2004	3.75%
June 30, 2004	3.75%
September 30, 2004	3.75%
December 31, 2004	3.75%
March 31, 2005	5.0%
June 30, 2005	5.0%
September 30, 2005	5.0%
December 31, 2005	5.0%
March 31, 2006	6.25%
June 30, 2006	6.25%
September 30, 2006	6.25%
December 31, 2006	6.25%
March 31, 2007	7.5%
June 30, 2007	7.5%

(e) Any reduction or termination of the Revolving Commitments pursuant to this Section 2.3 shall be accompanied by prepayment of the Revolving Loans and/or Swingline Loans to the extent that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments after giving effect thereto, provided that if the aggregate principal amount of Revolving Loans and Swingline Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to this paragraph shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this paragraph (other than ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.4 Swingline Commitment. Subject to the terms and conditions hereof, the Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swingline loans ("Swingline Loans") to the Borrower; provided that (a) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Revolving Loans hereunder, may exceed the Swingline Commitment then in effect) and (b) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only.

2.5 Procedure for Swingline Borrowing; Refunding of Swingline Loans. (a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans it shall give the Swingline Lender irrevocable telephonic notice confirmed promptly in writing (which telephonic notice must be received by the Swingline Lender not later than 12:00 Noon, Houston time, on the proposed Borrowing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Each borrowing under the Swingline Commitment shall be in an amount equal to $1,000,000 or a whole multiple of $500,000 in excess thereof. Not later than 2:00

P.M., Houston time, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender. The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion and in consultation with the Borrower (provided that the failure to so consult shall not affect the ability of the Swingline Lender to make the following request) may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's notice given by the Swingline Lender no later than 1:00 P.M., Houston time, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office in immediately available funds, not later than 11:00 A.M., Houston time, one Business Day after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.5(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.5(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.5(b) (the "Refunding Date"), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.5(b) and to purchase participating interests pursuant to Section 2.5(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5; (iii) any adverse change in the condition (financial or otherwise) of the Borrower; (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.6 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender and each Tranche A Incremental Term Lender a nonrefundable commitment fee for the period from and including the Restatement Effective Date to the last day of the Revolving Commitment Period or the date on which the Tranche A Incremental Term Commitments have been fully utilized or terminated, as the case may be, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment or the unutilized Tranche A Incremental Term Commitment, as the case may be, of such Lender during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Termination Date or the date on which the Tranche A Incremental Term Commitments have been fully utilized or terminated, as the case may be, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates previously agreed to in writing by the Borrower and the Administrative Agent.

2.7 Termination or Reduction of Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or the Tranche A Incremental Term Commitments or, from time to time, to reduce the amount of the Revolving Commitments or the Tranche A Incremental Term Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to $10,000,000, or a whole multiple of $1,000,000 in excess thereof, shall reduce permanently the Revolving Commitments or the Tranche A Incremental Term Commitments, as the case may be, then in effect and shall, in the case of the Revolving Commitments, be applied pro rata to the scheduled reductions thereof.

2.8 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case of Eurodollar Loans and at least one Business Day prior thereto in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof.

2.9 Mandatory Prepayments. (a) If on any date the Borrower or any of its Subsidiaries shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, (i) unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied within two Business Days after the deadline by which such Reinvestment Notice is otherwise required to be delivered in respect of such Asset Sale or Recovery Event toward the prepayment of the Term Loans (provided that the foregoing requirement shall not apply to the first $10,000,000 of aggregate Net Cash Proceeds received after the Restatement Effective Date) and (ii) on each Reinvestment Prepayment Date, an amount equal to the

Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans.

(b) The application of any prepayment pursuant to this Section 2.9 shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under this Section 2.9 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.10 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that (i) no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and (ii) if the Borrower shall fail to give any required notice as described above in this paragraph, the relevant Eurodollar Loans shall be automatically converted to Eurodollar Loans having a one-month Interest Period on the last day of the then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.11 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $10,000,000 or a whole multiple of $1,000,000 in excess thereof and (b) no more than fifteen Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.13 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.12(a).

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

2.15 Pro Rata Treatment and Payments. (a) Except in the case of the Incremental Term Facility, each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Tranche A Incremental Term Commitments or Revolving Commitments of the Lenders shall be made pro rata according to the respective Tranche A Incremental Term Commitments, Tranche B Incremental Term Commitments or Revolving Commitments, as the case may be, of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders (except as otherwise provided in Section 2.15(d)). The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Tranche A Term Loans, Tranche B Term Loans and Incremental Term Loans, as the case may be, pro rata based upon the then remaining principal amount thereof. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) Notwithstanding anything to the contrary in this Agreement, with respect to the amount of any mandatory prepayment of the Term Loans pursuant to Section 2.9 and, if the Borrower so elects in its sole discretion, any optional prepayment of the Term Loans pursuant to Section 2.8, that in any such case is allocated to Tranche B Term Loans or Incremental Term Loans (such amounts, the "Tranche B Prepayment Amount" and the "Incremental Prepayment Amount", respectively), at any time when Tranche A Term Loans remain outstanding, the Borrower will (or, in the case of optional prepayments, may), in lieu of applying such amount to the prepayment of Tranche B Term Loans and Incremental Term Loans, respectively, on the date specified in Section 2.9 or 2.8, as the case may be, for such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Tranche B Lender and Incremental Term Lender a notice (each, a "Prepayment Option Notice") as described below. As promptly as practicable after receiving such notice from the Borrower, the Administrative Agent will send to each Tranche B Lender and Incremental Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit F, and shall include an offer by the Borrower to prepay on the date (each a "Prepayment Date") that is 10 Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the prepayment amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Tranche B Term Loans or Incremental Term Loans, as the case may be. On the Prepayment Date, (i) the Borrower shall pay to the relevant Tranche B Lenders and Incremental Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have accepted prepayment as described in the Prepayment Option Notice, (ii) the Borrower shall pay to the Tranche A Term Lenders an amount equal to 50% (or, in the case of optional prepayments, such percentage as shall be determined by the Borrower in its sole discretion) of the portion of the Tranche B Prepayment Amount and the Incremental Prepayment Amount not accepted by the relevant Lenders, and such amount shall be applied pro rata to the prepayment of the Tranche A Term Loans, and (iii) the Borrower shall be entitled to retain the remaining portion of the Tranche B Prepayment Amount and the Incremental Prepayment Amount not accepted by the relevant Lenders.

(e) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 12:00 Noon, Houston time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(f) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

(g) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment being made hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

2.16 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by Section 2.17 and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than six months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect.

(c) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (i) that are attributable to such Lender's failure to comply with the requirements of paragraph (d) or (e) of this Section or (ii) that are United States withholding taxes imposed on amounts payable to such Lender at the time the Lender becomes a party to this Agreement, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Non-Excluded Taxes pursuant to this paragraph.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) Each Lender (or Transferee) that is not a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any jurisdiction thereof), or any estate or trust that is subject to federal income taxation regardless of the source of its income (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit G and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) A Lender that is entitled to an exemption from non-U.S. withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(f) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16 or 2.17(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.16 or 2.17(a).

2.20 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.16 or 2.17(a) or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.19 which has eliminated the continued need for payment of amounts owing pursuant to Section 2.16 or 2.17(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.16 or 2.17(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Agents or any other Lender shall have against the replaced Lender.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars, (ii) unless otherwise agreed by the Administrative Agent and the relevant Issuing Lender, have a face amount of at least $500,000 and (iii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) No Issuing Lender shall be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that any Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. The relevant Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The relevant Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3 Fees and Other Charges. (a) The Borrower will pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility, shared ratably among the Revolving Lenders and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the relevant Issuing Lender for its own account a fronting fee of 0.25% per annum on the undrawn and unexpired amount of each Letter of Credit issued by such Issuing Lender, payable quarterly in arrears on each L/C Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the relevant Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lenders to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in each Issuing Lender's obligations and rights under each Letter of Credit issued by it hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by such Issuing Lender for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed.

(b) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the relevant Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the relevant Issuing Lender on each date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment. Each such payment shall be made to the relevant Issuing Lender in lawful money of the United States and in immediately available funds. Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full at the rate set forth in (i) until the second Business Day following the date of the applicable drawing, Section 2.12(b) and (ii) thereafter, Section 2.12(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any other Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with each Issuing Lender that no Issuing Lender shall be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the relevant Issuing Lender. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of any Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of each Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Agents and each Lender that:

4.1 Financial Condition. The unaudited consolidated balance sheet of the Borrower as at September 30, 1999, and the related unaudited consolidated statements of operations and cash flows for the three-month period ended on such date, have been prepared based on the best information available to the Borrower as of the date of delivery thereof, and present fairly the consolidated financial condition of the Borrower as at such date, and the consolidated results of its operations and its consolidated cash flows for the three-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). Holdings, the Borrower and its Subsidiaries do not have any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 1998 to and including the date hereof there has been no Disposition by Holdings, the Borrower or any of its Subsidiaries of any material part of its business or property.

4.2 No Change. Since December 31, 1998 there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each of Holdings, the Borrower and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign entity and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (d) is in compliance with all Requirements of Law, in each case with respect to clauses (c) and (d), except as could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except the filings referred to in Section 4.20. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors= rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any material Contractual Obligation of Holdings, the Borrower or any of its Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Guarantee and Collateral Agreement).

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against Holdings, the Borrower or any of its Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. Neither Holdings, the Borrower nor any of its Subsidiaries is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each of Holdings, the Borrower and its Subsidiaries has good and sufficient legal title to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material property, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9 Intellectual Property. Holdings, the Borrower and each of its Subsidiaries owns, or is licensed to use, all material Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use, validity or effectiveness of any material Intellectual Property owned or licensed by Holdings, the Borrower or any of its Subsidiaries, nor does Holdings or the Borrower know of any valid basis for any such claim. The use of Intellectual Property by Holdings, the Borrower and its Subsidiaries does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each of Holdings, the Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of that are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of Holdings, the Borrower or its Subsidiaries, as the case may be); no tax Lien has been filed, and, to the knowledge of Holdings and the Borrower, no claim is being asserted, with respect to any such tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against Holdings, the Borrower or any of its Subsidiaries pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked by and payment made to employees of Holdings, the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from Holdings, the Borrower or any of its Subsidiaries on account of employee health and welfare insurance have been paid or accrued as a liability on the books of Holdings, the Borrower or the relevant Subsidiary.

4.13 ERISA. 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.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Restatement Effective Date, (a) Schedule 4.15 sets forth the name and jurisdiction of organization of Holdings and each of its Subsidiaries and, as to each such Subsidiary, the percentage of each class of Equity Interests owned by any Loan Party and (b) except as set forth on Schedule 4.15, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments of any nature relating to any Equity Interests of the Borrower or any of its Subsidiaries, except as created by the Loan Documents.

4.16 Use of Proceeds. The proceeds of the Loans, and the Letters of Credit, shall be used for general purposes, including to make distributions to finance the Charter Acquisition (up to $140,000,000) and permitted Investments.

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by Holdings, the Borrower or any of its Subsidiaries (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) neither Holdings, the Borrower nor any of its Subsidiaries has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by Holdings, the Borrower or any of its Subsidiaries (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which Holdings, the Borrower or any Subsidiary is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of Holdings, the Borrower or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) neither Holdings, the Borrower nor any of its Subsidiaries has assumed any liability of any other Person under Environmental Laws.

4.18 Certain Cable Television Matters. Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(a) (i) Holdings, the Borrower and its Subsidiaries possess all Authorizations necessary to own, operate and construct the CATV Systems or otherwise for the operations of their businesses and are not in violation thereof and (ii) all such Authorizations are in full force and effect and no event has occurred that permits, or after notice or lapse of time could permit, the revocation, termination or material and adverse modification of any such Authorization;

(b) neither Holdings, the Borrower nor any of its Subsidiaries is in violation of any duty or obligation required by the Communications Act of 1934, as amended, or any FCC rule or regulation applicable to the operation of any portion of any of the CATV Systems;

(c) (i) there is not pending or, to the best knowledge of Holdings or the Borrower, threatened, any action by the FCC to revoke, cancel, suspend or refuse to renew any FCC License held by Holdings, the Borrower or any of its Subsidiaries and (ii) there is not pending or, to the best knowledge of Holdings or the Borrower, threatened, any action by the FCC to modify adversely, revoke, cancel, suspend or refuse to renew any other Authorization; and

(d) there is not issued or outstanding or, to the best knowledge of Holdings or the Borrower, threatened, any notice of any hearing, violation or complaint against Holdings, the Borrower or any of its Subsidiaries with respect to the operation of any portion of the CATV Systems and neither Holdings nor the Borrower has any knowledge that any Person intends to contest renewal of any Authorization.

4.19 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Agents or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, as supplemented from time to time prior to the date this representation and warranty is made or deemed made, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Confidential Information Memorandum or in any other documents, certificates and statements furnished to the Agents and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.20 Security Interests. The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of certificated Pledged Stock described in the Guarantee and Collateral Agreement, when certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement, when financing statements specified on Schedule 4.20 in appropriate form are filed in the offices specified on Schedule 4.20, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person.

4.21 Solvency. Each Loan Party (other than any Shell Subsidiary) is, and after giving effect to the financing transactions referred to herein will be and will continue to be, Solvent.

4.22 Certain Tax Matters. As of the Restatement Effective Date, each of Holdings, the Borrower and each of its Subsidiaries (other than any such Subsidiary that is organized as a corporation) is a Flow-Through Entity.

4.23 Year 2000 Matters. Based on a review of the operations of Holdings, the Borrower and its Subsidiaries as they relate to the processing, storage and retrieval of data, Holdings, the Borrower and its Subsidiaries do not believe that a Material Adverse Effect is reasonably likely to occur as a result of computer software and hardware that will not (a) receive, transmit, process, compare, sequence, store, retrieve and present calendar dates (and data or functions involving or based on calendar dates) falling on or after January 1, 2000 in the same manner and with the same functionality, accuracy, data integrity and performance as calendar dates (and data involving or based on calendar dates) falling on or before December 31, 1999, (b) receive, transmit, process, compare, sequence, store, retrieve and present calendar dates in a four digit year format or (c) correctly process calendar dates for leap years.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Restatement Effective Date. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) Credit Agreement; Guarantee and Collateral Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Agents, Holdings and the Borrower, (ii) an Addendum, executed and delivered by (x) the "Majority Lenders" under and as defined in the Existing Credit Agreement, (y) each Lender that is not a "Lender" under and as defined in the Existing Credit Agreement and (z) each Lender whose commitments or extensions of credit under the Existing Credit Agreement are increasing pursuant to this Agreement, (iii) the Guarantee and Collateral Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor and (iv) an Acknowledgment and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party.

(b) Charter Acquisition. The Borrower shall have been acquired (the "Charter Acquisition"), directly or indirectly, by Charter Communications Holding Company, LLC.

(c) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Restatement Effective Date. All such amounts will be paid with proceeds of Loans made on the Restatement Effective Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Restatement Effective Date.

(d) Closing Certificate; No Material Restrictions; Pro Forma Compliance. The Administrative Agent shall have received, with a counterpart for each Lender, a certificate of each Loan Party, dated the Restatement Effective Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, which (i) in the case of Holdings, shall also certify that Holdings and its Subsidiaries are not subject to material contractual or other restrictions that would be violated by the transactions contemplated hereby and (ii) in the case of the Borrower, shall also certify, in reasonable detail, pro forma compliance with Section 7.1(a) for, or as at the end of, as the case may be, the most recent three-month period for which the relevant financial information is available.

(e) Legal Opinions. The Administrative Agent shall have received one or more signed legal opinions covering such matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(f) Filings, Registrations, Recordings, etc. Each document (including any Uniform Commercial Code financing statement) required by the Guarantee and Collateral Agreement under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create or maintain in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person, shall be in proper form for filing, registration or recordation. The Administrative Agent shall have received (i) the certificates, if any, representing the Equity Interests pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed by the pledgor thereof, and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed in blank by the pledgor thereof.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) Other Documents. In the case of any extension of credit made on an Increased Facility Closing Date, the Administrative Agent shall have received such documents and information as it may reasonably request.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in Sections 5.2(a) and (b) have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby agree that, so long as the Tranche A Incremental Term Commitments or the Revolving Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder, each of Holdings and the Borrower shall, and shall cause each Subsidiary of the Borrower to:

6.1 Financial Statements. Furnish to the Administrative Agent (with sufficient copies for each Lender):

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, or any other material adverse exception or qualification, by Arthur Andersen LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2 Certificates; Other Information. Furnish to the Administrative Agent (with sufficient copies for each Lender) (or (i) in the case of clause (e) below, to the Administrative Agent and (ii) in the case of clause (f) below, to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default under Section 7.1, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance by Holdings, the Borrower and its Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;

(c) as soon as available, and in any event no later than 45 days after the end of each fiscal year of the Borrower, a budget for the following fiscal year (which shall include projected Consolidated Operating Cash Flow and budgeted capital expenditures), and, as soon as available, material revisions, if any, of such budget with respect to such fiscal year (collectively, the "Budget"), which Budget shall in each case be accompanied by a certificate of a Responsible Officer stating that such Budget is based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Budget is incorrect or misleading in any material respect;

(d) upon request by the Administrative Agent and within five days after the same are sent, copies of all financial statements and reports (including reports on Form 10-K, 10-Q or 8-K) that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC;

(e) no later than three Business Days prior to consummating any transaction described in Section 7.2(f), 7.2(g), 7.5(e), 7.5(f), 7.5(g), 7.6(b), 7.7(f), 7.7(g) or (with respect to payment of deferred management fees) 7.8(c), a certificate of a Responsible Officer demonstrating in reasonable detail (i) that both before and after giving effect to such transaction, no Default or Event of Default shall be in effect (including, on a pro forma basis, pursuant to Section 7.1) and (ii) compliance with any other financial tests referred to in the relevant Section, provided that, in the case of Investments, Dispositions or the payment of deferred management fees, the requirement to deliver such certificate shall not apply to any Investment or Disposition pursuant to which the Consideration paid is less than $25,000,000 or to any such payment of deferred management fees in an amount less than $5,000,000; and

(f) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of Holdings, the Borrower or its Subsidiaries, as the case may be.

6.4 Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all material property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with reputable insurance companies insurance on all its material property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives of any Lender, coordinated through the Administrative Agent, to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of Holdings, the Borrower and its Subsidiaries with officers and employees of Holdings, the Borrower and its Subsidiaries and with its independent certified public accountants.

6.7 Notices. Promptly give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of Holdings, the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding that may exist at any time between Holdings, the Borrower or any of its Subsidiaries and any Governmental Authority, that, in either case, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding commenced against Holdings, the Borrower or any of its Subsidiaries which could reasonably be expected to result in a liability of $25,000,000 or more to the extent not covered by insurance or which could reasonably be expected to have a Material Adverse Effect;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

(e) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrower or the relevant Subsidiary proposes to take with respect thereto.

6.8 Environmental Laws. (a) Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, comply with, and ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Additional Collateral. With respect to any new Subsidiary (other than a Shell Subsidiary so long as it qualifies as such) created or acquired after the Restatement Effective Date by the Borrower or any of its Subsidiaries (which shall be deemed to have occurred in the event that any Non-Recourse Subsidiary ceases to qualify as such), promptly (a) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Equity Interests and intercompany obligations of such new Subsidiary that are held by the Borrower or any of its Subsidiaries (limited, in the case of Equity Interests of any Foreign Subsidiary, to 66% of the total outstanding Equity Interests of such Foreign Subsidiary), (b) deliver to the Administrative Agent the certificates, if any, representing such Equity Interests, and any intercompany notes evidencing such obligations, together with undated stock powers and endorsements, in blank, executed and delivered by a duly authorized officer of the Borrower or such Subsidiary, as the case may be, and (c) except in the case of a Foreign Subsidiary or an Excluded Acquired Subsidiary (until it ceases to qualify as such), cause such new Subsidiary (i) to become a party to the Guarantee and Collateral Agreement and (ii) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

6.10 Organizational Separateness. In the case of Holdings, each Specified Holdings Subsidiary, each Non-Recourse Subsidiary and the Borrower and its Subsidiaries, (a) satisfy customary formalities with respect to organizational separateness, including, without limitation, (i) the maintenance of separate books and records and (ii) the maintenance of separate bank or other deposit or investment accounts in its own name; (b) act solely in its own name and through its authorized officers and agents; (c) in the case of the Borrower or any of its Subsidiaries, not make or agree to make any payment to a creditor of Holdings, any Specified Holdings Subsidiary or any Non-Recourse Subsidiary; (d) not commingle any money or other assets of Holdings, any Specified Holdings Subsidiary or any Non-Recourse Subsidiary with any money or other assets of the Borrower or any of its Subsidiaries; and (e) not take any action, or conduct its affairs in a manner, which could reasonably be expected to result in the separate organizational existence of Holdings, each Specified Holdings Subsidiary and each Non-Recourse Subsidiary from the Borrower and its Subsidiaries being ignored under any circumstance. Holdings agrees to cause each Specified Holdings Subsidiary, and the Borrower agrees to cause each Non-Recourse Subsidiary, to comply with the applicable provisions of this Section 6.10.

6.11 ERISA Reports. Furnish to the Administrative Agent as soon as available to the Borrower or Holdings 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.

6.12 ERISA, etc. Comply in all material respects with the provisions of ERISA and the Code applicable to each Plan. Each of Holdings, the Borrower and its Subsidiaries 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 Restatement Effective Date, Holdings, the Borrower and its Subsidiaries 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.

SECTION 7. NEGATIVE COVENANTS

Holdings and the Borrower hereby agree that, so long as the Tranche A Incremental Term Commitments or the Revolving Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or any Agent hereunder, each of Holdings and the Borrower shall not, and shall not permit any Subsidiary of the Borrower to, directly or indirectly (provided that only Sections 7.2, 7.3, 7.4, 7.10, 7.12, 7.14(b) and 7.15 shall apply to Holdings):

7.1 Financial Condition Covenants.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio determined as of the last day of any fiscal quarter of the Borrower ending during any period set forth below to exceed the ratio set forth below opposite such period:

Period	Consolidated Leverage Ratio
through 09/30/01	5.75 to 1.0
10/01/01 - 09/30/02	5.50 to 1.0
10/01/02 - 09/30/03	4.75 to 1.0
10/01/03 and thereafter	4.00 to 1.0

(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio determined as of the last day of any fiscal quarter ending during any period set forth below to be less than the ratio set forth below opposite such period:

Period	Consolidated Interest Coverage Ratio
through 06/30/01	1.50 to 1.0
07/01/01 - 12/31/02	1.75 to 1.0
01/01/03 and thereafter	2.00 to 1.0

(c) Consolidated Debt Service Coverage Ratio. Permit the Consolidated Debt Service Coverage Ratio determined as of the last day of any fiscal quarter to be less than 1.25 to 1.0.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary Guarantor;

(d) Indebtedness described on Schedule 7.2(d);

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(f) in an aggregate principal amount not to exceed $10,000,000 at any one time outstanding;

(f) Indebtedness of the Borrower (but not any Subsidiary of the Borrower) incurred on any Threshold Transaction Date so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Indebtedness shall have no scheduled amortization prior to the date that is one year after the final maturity of the Term Loans outstanding on the date such Indebtedness is incurred, (iii) such Indebtedness is unsecured and the covenants and default provisions applicable to such Indebtedness shall be no more restrictive than those contained in this Agreement and (iv) such Indebtedness shall be subordinated to the Loans and other obligations under the Loan Documents pursuant to subordination terms reasonably satisfactory to the Administrative Agent, 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 7.2(f) 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;

(g) Indebtedness of any Person that becomes a Subsidiary pursuant to an Investment permitted by Section 7.7, so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) such Indebtedness existed at the time of such Investment and was not created in anticipation thereof, (iii) 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, (iv) 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 of its other Subsidiaries) and (v) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this paragraph shall not exceed $100,000,000;

(h) letters of credit for the account of the Borrower or any of its Subsidiaries obtained other than pursuant to this Agreement, so long as the aggregate undrawn face amount thereof, together with any unreimbursed reimbursement obligations in respect thereof, does not exceed $10,000,000 at any one time;

(i) Indebtedness of Holdings (but not the Borrower or any of its Subsidiaries) owing to any Affiliate of Holdings so long as (i) such Indebtedness shall have no scheduled amortization prior to the date that is one year after the final maturity of the Term Loans outstanding on the date such Indebtedness is incurred and (ii) 100% of the Net Cash Proceeds thereof (other than any such Net Cash Proceeds that are applied to refinance other Indebtedness of Holdings) shall be used by Holdings to make Investments in one or more of its Affiliates engaged substantially exclusively in businesses of the type described in Section 7.14(a); and

(j) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount (for the Borrower and all Subsidiaries) not to exceed $25,000,000 at any one time outstanding.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes, assessments and other governmental charges not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of Holdings, the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits made to secure the performance of bids, tenders, trade contracts, leases, statutory or regulatory obligations, surety and appeal bonds, bankers acceptances, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business, in each case excluding obligations for borrowed money;

(e) easements, rights-of-way, municipal and zoning ordinances, title defects, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of Holdings, the Borrower or any of its Subsidiaries;

(f) Liens securing Indebtedness of Holdings, the Borrower or any of its Subsidiaries incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets, provided that (i) such Liens shall be created substantially simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(g) Liens created pursuant to the Guarantee and Collateral Agreement securing obligations of the Loan Parties under (i) the Loan Documents, (ii) Hedge Agreements provided by any Lender or any Affiliate of any Lender and (iii) letters of credit issued pursuant to Section 7.2(h) by any Lender or any Affiliate of any Lender;

(h) any landlord's Lien or other interest or title of a lessor under any lease or a licensor under a license entered into by Holdings, the Borrower or any of its Subsidiaries in the ordinary course of its business and covering only the assets so leased or licensed;

(i) Liens created under Pole Agreements on cables and other property affixed to transmission poles or contained in underground conduits;

(j) Liens of or restrictions on the transfer of assets imposed by any franchisors, utilities or other regulatory bodies or any federal, state or local statute, regulation or ordinance, in each case arising in the ordinary course of business in connection with franchise agreements or Pole Agreements;

(k) Liens arising from judgments or decrees not constituting an Event of Default under Section 8(h); and

(l) Liens not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to Holdings, the Borrower and all Subsidiaries), when added to the aggregate outstanding amount of Attributable Debt, $10,000,000 at any one time.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into any Wholly Owned Subsidiary Guarantor (provided that the Wholly Owned Subsidiary Guarantor shall be the continuing or surviving entity);

(b) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving entity);

(c) any Subsidiary of the Borrower may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to any Wholly Owned Subsidiary Guarantor;

(d) any Shell Subsidiary may be dissolved; and

(e) so long as no Default or Event of Default has occurred or is continuing or would result therefrom, Holdings may be merged or consolidated with any Affiliate of Paul G. Allen (provided that either (i) Holdings is the continuing or surviving entity or (ii) if Holdings is not the continuing or surviving entity, such continuing or surviving entity assumes the obligations of Holdings under the Loan Documents to which it is a party pursuant to an instrument in form and substance reasonably satisfactory to the Administrative Agent and, in connection therewith, the Administrative Agent shall receive such legal opinions, certificates and other documents as it may reasonably request).

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any Equity Interests to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions expressly permitted by Section 7.4;

(d) the sale or issuance of any Subsidiary's Equity Interests to the Borrower or any Wholly Owned Subsidiary Guarantor;

(e) the Disposition (directly or indirectly through the Disposition of 100% of the Equity Interests of a Subsidiary) of operating assets by the Borrower or any of its Subsidiaries (it being understood that Exchange Excess Amounts shall be deemed to constitute usage of availability in respect of Dispositions pursuant to this Section 7.5(e)), provided that (i) on the date of such

Disposition (the "Disposition Date"), no Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the Annualized Asset Cash Flow Amount attributable to the assets being disposed of, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously disposed of pursuant to this Section 7.5(e) during the one-year period ending on such Disposition Date (or, if shorter, the period from the Restatement Effective Date to such Disposition Date), shall not exceed an amount equal to 30% of Annualized Pro Forma Operating Cash Flow determined as of such Disposition Date; (iii) the Annualized Asset Cash Flow Amount attributable to the assets being disposed of, when added to the Annualized Asset Cash Flow Amount attributable to all other assets previously disposed of pursuant to this Section 7.5(e) during the period from the Restatement Effective Date to such Disposition Date), shall not exceed an amount equal to 50% of Annualized Pro Forma Operating Cash Flow determined as of such Disposition Date; (iv) at least 75% of the proceeds of such Disposition shall be in the form of cash; and (v) the Net Cash Proceeds of such Disposition shall be applied to prepay the Term Loans to the extent required by Section 2.9(a);

(f) any Exchange by the Borrower and its Subsidiaries, provided that (i) on the date of such Exchange, no Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the assets received in connection with such Exchange shall be received by the Borrower or a Wholly Owned Subsidiary of the Borrower; (iii) in the event that (x) any cash consideration is paid to the Borrower or any of its Subsidiaries in connection with such Exchange and (y) the Annualized Asset Cash Flow Amount attributable to the assets being Exchanged 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 Exchange (such excess amount, an "Exchange Excess Amount"), then, the Disposition of such Exchange Excess Amount is permitted by clauses (ii) and (iii) of Section 7.5(e); and (iv) the Net Cash Proceeds of such Exchange, if any, shall be applied to prepay the Term Loans to the extent required by Section 2.9(a);

(g) Dispositions of property acquired after the Restatement Effective Date, (other than property acquired in connection with Exchanges of property owned on the Restatement Effective Date), so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) a definitive agreement to consummate such Disposition is executed no later than twelve months after the date on which relevant property is acquired and (iii) such Disposition is consummated within eighteen months after the date on which the relevant property is acquired; and

(h) the Disposition of other property having a fair market value not to exceed $5,000,000 in the aggregate for any fiscal year of the Borrower.

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interests of Holdings, the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Holdings, the Borrower or any Subsidiary (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary Guarantor;

(b) the Borrower may make distributions (directly or indirectly) to any Qualified Parent Company or any Affiliate of the Borrower for the purpose of enabling such Person to make scheduled interest payments in respect of its Qualified Indebtedness, provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) each such distribution shall be made on a Threshold Transaction Date (except in the case of any distribution made for the purpose of paying interest on (x) Qualified Indebtedness as to which 100% of the Net Cash Proceeds thereof were contributed to the Borrower as a capital contribution, (y) Qualified Indebtedness incurred to refinance such Qualified Indebtedness or (z) the 8% Senior Notes due 2009, issued by Bresnan Communications Group LLC and Bresnan Capital Corporation on February 2, 1999, outstanding as of the Restatement Effective Date or any replacement debt thereof in an aggregate principal amount not to exceed $170,000,000) and (iii) each such distribution shall be made no earlier than three Business Days prior to the date the relevant interest payment is due;

(c) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, (i) the Borrower may make distributions to Holdings or direct payments to be used to repurchase, redeem or otherwise acquire or retire for value any Equity Interests of any Qualified Parent Company held by any member of management of Holdings, the Borrower or any of its Subsidiaries pursuant to any management equity subscription agreement or stock option agreement in effect as of the Restatement Effective Date, provided that the aggregate amount of such distributions shall not exceed $5,000,000 in any fiscal year of the Borrower and (ii) the Borrower may make distributions to Holdings as described in the last sentence of Section 7.9;

(d) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may (i) make distributions on, or within six months after, the Restatement Effective Date in an aggregate amount not to exceed $140,000,000 to finance the Charter Acquisition and (ii) make distributions to Holdings for any purpose, provided that, after giving effect to any such distribution pursuant to this clause (ii), the Consolidated Leverage Ratio shall be less than 3.50 to 1.0;

(e) the Borrower may make distributions to Holdings to permit Holdings (or any parent company thereof) to pay (i) attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection with any issuance, sale or incurrence by Holdings (or any such parent company) of Equity Interests or Indebtedness (other than any such amounts customarily paid out of the proceeds of transactions of such type), provided, that such amounts shall be allocated in an appropriate manner (determined after consultation with the Administrative Agent) among the Borrower and the other Subsidiaries, if any, of the issuer or obligor in respect of such Equity Interests or Indebtedness and (ii) other administrative expenses (including legal, accounting, other professional fees and costs, printing and other such fees and expenses) incurred in the ordinary course of business, in an aggregate amount in the case of this clause (ii) not to exceed $2,000,000 in any fiscal year; and

(f) in respect of any calendar year or portion thereof during which the Borrower is a Flow-Through Entity, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may make distributions (directly or indirectly) to the direct or indirect holders of the Equity Interests of the Borrower that are not Flow-Through Entities, in proportion to their ownership interests, sufficient to permit each such holder to pay income taxes that are required to be paid by it with respect to its Equity Interests in the Borrower for the prior calendar year, as estimated by the Borrower in good faith.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Equity Interests, bonds, notes, debentures or other debt securities of, or any assets constituting a significant part of a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to employees of the Borrower or any of its Subsidiaries in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount not to exceed $2,000,000 at any one time outstanding;

(e) Investments by the Borrower or any of its Subsidiaries in the Borrower or any Person that, prior to such investment, is a Wholly Owned Subsidiary Guarantor;

(f) acquisitions by the Borrower or any Wholly Owned Subsidiary Guarantor of operating assets (substantially all of which consist of cable 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 cable systems, provided, that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate Consideration (excluding Consideration paid with the proceeds of Paul Allen Contributions and Consideration consisting of operating assets transferred in connection with Exchanges) paid in connection with such acquisitions, other than acquisitions consummated on a Threshold Transaction Date, shall not exceed $150,000,000 during the term of this Agreement;

(g) the Borrower or any of its Subsidiaries may contribute cable systems to any Non-Recourse Subsidiary so long as (i) such Disposition is permitted pursuant to Section 7.5(e), (ii) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (iii) after giving effect thereto, the Consolidated Leverage Ratio shall be equal to or lower than the Consolidated Leverage Ratio in effect immediately prior thereto and (iv) the Equity Interests received by the Borrower or any of its Subsidiaries in connection therewith shall be pledged as Collateral (either directly or through a holding company parent of such Non-Recourse Subsidiary so long as such parent is a Wholly Owned Subsidiary Guarantor); and

(h) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) not to exceed $100,000,000 during the term of this Agreement.

7.8 Certain Payments and Modifications Relating to Indebtedness and Management Fees. (a) Make or offer to make any payment, prepayment, repurchase or redemption in respect of, or otherwise optionally or voluntarily defease or segregate funds with respect to (collectively, "prepayment"), any Specified Long-Term Indebtedness, other than (i) the payment of scheduled interest payments required to be made in cash, (ii) the prepayment of Specified Subordinated Debt with the proceeds of other Specified Long-Term Indebtedness or of Loans and (iii) the prepayment of any such 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.

(b) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the any Specified Long-Term Indebtedness, other than any such amendment, modification, waiver or other change that (i) (x) would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon or (y) is immaterial to the interests of the Lenders and (ii) does not involve the payment of a consent fee.

(c) Make, agree to make or expense any payment in respect of management fees, directly or indirectly, except that the Borrower may pay management fees pursuant to the Management Fee Agreement so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the aggregate amount of such payments expensed during any fiscal year of the Borrower shall not exceed 3.50% of consolidated revenues of the Borrower and its consolidated Subsidiaries for such 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, 2000, 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 (ii) during such fiscal year, shall not exceed 5.0% of consolidated revenues of the Borrower and its consolidated Subsidiaries for such fiscal year) and (iii) each such payment shall be made no earlier than three Business Days prior to the date such payment is due.

(d) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Management Fee Agreement, other than any such amendment, modification, waiver or other change that (i)(x) would extend the due date or reduce (or increase to the amount permitted by Section 7.8(c)) the amount of any payment thereunder or (y) does not adversely affect the interests of the Lenders and (ii) does not involve the payment of a consent fee or adversely affect the subordination of the management fees to the Loans.

7.9 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) not prohibited under this Agreement, (b) in the ordinary course of business of the Borrower or such Subsidiary, as the case may be, and (c) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. The foregoing restrictions shall not apply to transactions expressly permitted by Section 7.6 or Section 7.8(c). Notwithstanding anything to the contrary in this Section 7.9, so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, the Borrower shall be permitted to pay (either directly or by way of a distribution to Holdings) amounts not in excess of 1.0% of the aggregate enterprise value of Investments permitted hereby to certain Affiliates of the Borrower.

7.10 Sales and Leasebacks. Enter into any arrangement with any Person (other than Subsidiaries of the Borrower) providing for the leasing by Holdings, the Borrower or any Subsidiary of real or personal property that has been or is to be sold or transferred by Holdings, the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of Holdings, the Borrower or such Subsidiary unless, after giving effect thereto, the aggregate outstanding amount of Attributable Debt, when added to the aggregate amount utilized pursuant to Section 7.3(l), does not exceed $10,000,000.

7.11 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

7.12 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of Holdings, the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party (without regard to the amount of such obligations), other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and

(c) pursuant to Contractual Obligations assumed in connection with Investments (but not created in contemplation thereof) so long as the maximum aggregate liabilities of Holdings and its Subsidiaries pursuant thereto do not exceed $2,000,000 at any time.

7.13 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Equity Interests of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents and (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Equity Interests or assets of such Subsidiary in a transaction otherwise permitted by this Agreement.

7.14 Lines of Business; Holding Company Status. (a) Enter into any business, either directly or through any Subsidiary, except for (i) those businesses in which the Borrower and its Subsidiaries are significantly engaged on the date of this Agreement and (ii) businesses which are reasonably similar or related thereto or reasonable extensions thereof but not, in the case of this clause (ii), in the aggregate, material to the overall business of the Borrower and its Subsidiaries (collectively, "Permitted Lines of Business"), provided, that, in any event, the Borrower and its Subsidiaries will continue to be primarily engaged in the businesses in which they are primarily engaged on the date of this Agreement.

(b) In the case of Holdings, (i) 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 the Equity Interests in other Persons or (ii) own, lease, manage or otherwise operate any properties or assets other than Equity Interests in the Borrower.

7.15 Investments by Holdings in the Borrower. In the case of Holdings, make any Investment in the Borrower other than in the form of a capital contribution, unless such Investment is evidenced by a note and pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a) or Section 7 of this Agreement or Sections 6.4 and 6.6(b) of the Guarantee and Collateral Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Majority Lenders; or

(e) Holdings, the Borrower or any of its Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness of Holdings, the Borrower and its Subsidiaries the outstanding principal amount of which exceeds in the aggregate $25,000,000; or

(f)(i) Holdings, the Borrower or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, the Borrower or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, the Borrower or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, the Borrower or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, the Borrower or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, the Borrower or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g)(i) 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, (ii) 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 (iii) 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 (i) through (iii) above, such event or condition, together with all other such events or conditions, if any, could, in the sole judgment of the Majority Lenders, reasonably be expected to result in a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against Holdings, the Borrower or any of its Subsidiaries involving in the aggregate for all such Persons a liability (to the extent not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) the Guarantee and Collateral Agreement shall cease, for any reason (other than the gross negligence or willful misconduct of the Administrative Agent), to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by the Guarantee and Collateral Agreement shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j)(i) 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; (ii) 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; (iii) a Specified Change of Control shall occur; (iv) Charter Communications Holding Company, LLC shall cease to own of record and beneficially, directly or indirectly, Equity Interests of the Borrower representing at least 51% (determined on a fully diluted basis) of the economic interests therein; or (v) the Borrower shall cease to be a direct Wholly Owned Subsidiary of Holdings; or

(k) the Borrower or any of its Subsidiaries shall have received a notice of termination or suspension with respect to any of its CATV Franchises or CATV Systems from the FCC or any Governmental Authority or other franchising authority or the Borrower or any of its Subsidiaries or the grantors of any CATV Franchises or CATV Systems shall fail to renew such CATV Franchises or CATV Systems at the stated expiration thereof if the percentage represented by such CATV Franchises or CATV Systems and any other CATV Franchises or CATV Systems which are then so terminated, suspended or not renewed of Consolidated Operating Cash Flow for the 12-month period preceding the date of the termination, suspension or failure to renew, as the case may be, (giving pro forma effect to any acquisitions or Dispositions that have occurred since the beginning of such 12-month period as if such acquisitions or Dispositions had occurred at the beginning of such 12-month period), would exceed 10%, unless (i) an alternative CATV Franchise or CATV System in form and substance reasonably satisfactory to the Majority Lenders shall have been procured and come into effect prior to or concurrently with the termination or expiration date of such terminated, suspended or non-renewed CATV Franchise or CATV System or (ii) the Borrower or such Subsidiary continues to operate and retain the revenues received from such systems after the stated termination or expiration and is engaged in negotiations to renew or extend such franchise rights and obtains such renewal or extension within one year following the stated termination or expiration, provided that such negotiations have not been terminated by either party thereto, such franchise rights or the equivalent thereof have not been awarded on an exclusive basis to a third Person and no final determination (within the meaning of Section 635 of the Communications Act of 1934, as amended) has been made that the Borrower or such Subsidiary is not entitled to the renewal or extension thereof;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Tranche A Incremental Term Commitments and the Revolving Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower declare the Tranche A Incremental Term Commitments and the Revolving Commitments to be terminated forthwith, whereupon the Tranche A Incremental Term Commitments and the Revolving Commitments shall immediately terminate; and (ii) with the consent of the Majority Lenders, the Administrative Agent may, or upon the request of the Majority Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Majority Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereinafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent 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), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by Holdings or the Borrower and without limiting the obligation of Holdings or the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Tranche A Incremental Term Commitments and the Revolving Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Tranche A Incremental Term Commitments, the Revolving Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent was not an Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Resignation of Agents. (a) The Administrative 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 Administrative Agent reasonably satisfactory to the Majority Lenders. If no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 45 days after the retiring Administrative Agent's giving of such notice of resignation, then the retiring Administrative Agent may with the consent of the Borrower, which shall not be unreasonably withheld or delayed, appoint a successor Administrative 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.

(b) Any Agent other than the Administrative 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.

Upon any such resignation, the Borrower may, but shall not be obligated to, appoint a successor Agent in the relevant capacity reasonably satisfactory to the Majority Lenders, provided, that the effectiveness of such resignation shall not be conditioned upon the appointment of a successor.

(c) After any retiring Agent's resignation hereunder as 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 and the other Loan Documents.

9.10 Other Agents. Notwithstanding any provision to the contrary elsewhere in this Agreement (including the circumstance that the Syndication Agent shall have certain rights regarding notification, consents and other matters, to the extent expressly provided herein), no Agent other than the Administrative Agent shall have any duties or responsibilities hereunder or under any other Loan Document, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against any Agent.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document nor any term hereof or thereof may be amended orally, nor may any provision hereof or thereof be waived orally but only by an instrument in writing signed by the Majority Lenders (or by the Administrative Agent if authorized in writing to do so by the Majority Lenders) and by the Borrower, except in connection with the Incremental Term Facility or other transactions described in Section 2.1(c) (which requires no consent) and in the event of (a) any reduction in a scheduled payment of principal, interest or fees due hereunder (other than the waiver of charging interest at the Default Rate), (b) any postponement of the timing of scheduled payments of principal, interest or fees hereunder to any Lender, (c) any waiver of any Default due to the Borrower's failure to pay any principal, interest or fees when scheduled to be due hereunder to any Lender, (d) any amendment of this Section 10.1 or of the definition of Majority Lenders or Majority Facility Lenders, (e) any release of Collateral or guarantees, (f) any changes in the several nature of the obligations of the Lenders, or (g) any change to the provisions of Section 2.15 hereof which provide for payments to be distributed to the Lenders on a pro rata basis, any amendment or waiver may be made only by an instrument in writing signed by the Administrative Agent and all the Lenders and by the Borrower. No Lender's Revolving Commitment, Tranche A Incremental Term Commitment or Tranche B Incremental Term Commitment hereunder may be increased without the written consent of such Lender.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Any Loan Party:	c/o CC VIII Operating, LLC 12444 Powerscourt Drive, Suite 100 St. Louis, Missouri 63131 Attention: Kent D. Kalkwarf Telecopy: (314) 965-8793 Telephone: (314) 543-2309

The Administrative Agent: Toronto Dominion (Texas), Inc.
909 Fannin, Suite 1700
Houston, Texas 77010
Attention: Diane Bailey/Kimberly Burleson
Telecopy: (713) 951-0033
Telephone: (713) 653-8241

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of one firm of counsel to the Administrative Agent and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Restatement Effective Date (in the case of amounts to be paid on the Restatement Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and each Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of one firm of counsel selected by the Administrative Agent and reasonably acceptable to the Syndication Agent (or, in the event that either Syndication Agent determines in good faith that issues apply to it that are not applicable to the Administrative Agent or, with respect to an issue as to which another counsel is proposed to be engaged, that its interests are different from those of the Administrative Agent, one additional firm of counsel selected by Chase Securities Inc.), together with any special or local counsel to the Administrative Agent, and not more than one other firm of counsel to the Lenders, (c) to pay, indemnify, and hold each Lender and each Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, each Agent, their affiliates and their respective officers, directors, trustees, employees, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of Holdings, the Borrower any of its Subsidiaries or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to so waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 15 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Kent Kalkwarf (Telephone No. 314-543-2309) (Telecopy No. 314-965-8793), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of Holdings, the Borrower, the Lenders, the Agents, all future holders of the Loans and their respective successors (which shall include, in the case of any Lender, any entity resulting from a merger or consolidation) and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender other than any Conduit Lender may, without the consent of the Borrower or the Administrative Agent, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant"), including, without limitation, any Conduit Participant, participating interests in any Loan owing to such Lender, any Tranche A Incremental Term Commitment or Revolving Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Agents shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would (i) reduce the amount or extend the scheduled date of amortization or maturity of any Loan, (ii) reduce the rate of interest or any fee or extend any due date thereof or (iii) increase the amount or extend the expiry date of any Lender's commitment, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 2.18 with respect to its participation in the Tranche A Incremental Term Commitments and the Revolving

Commitments and the Loans outstanding from time to time as if it was a Lender; provided that, in the case of Section 2.17, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender other than any Conduit Lender (an "Assignor") may, in accordance with applicable law, at any time and from time to time assign to any Lender, any affiliate of any Lender or any Approved Fund or, with the consent of the Borrower and the Administrative Agent (which, in each case, shall not be unreasonably withheld or delayed), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance, executed by such Assignee, such "Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that, except in the case of an assignment of all of a Lender's interests under this Agreement, no such assignment to an Assignee (other than any Lender, any affiliate of any Lender or any Approved Fund) shall (i) be in an aggregate principal amount of less than $5,000,000 or (ii) cause the "Assignor to have Aggregate Exposure of less than $3,000,000, in each case unless otherwise agreed by the Borrower and the Administrative Agent. For purposes of clauses (i) and (ii) of the preceding sentence, the amounts described therein shall be aggregated in respect of each Lender and its related Approved Funds, if any. Any such assignment need not be ratable as among the Facilities. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Tranche A Incremental Term Commitment or a Revolving Commitment and/or Loans as set forth therein, and (y) the "Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such "Assignor shall cease to be a party hereto). Notwithstanding any provision of this Section 10.6, the consent of the Borrower shall not be required for any assignment that occurs when an Event of Default pursuant to Section 8(a) or 8(f) shall have occurred and be continuing. On the effective date of any Assignment and Acceptance, the Administrative Agent shall give notice of the terms thereof to the Syndication Agent. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 10.6(c).

(d) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Tranche A Incremental Term Commitment and the Revolving Commitment of, and the principal amount of the Loans 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, each other Loan Party, the Agents and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee. The Administrative Agent will promptly send a copy of the Register to the Borrower upon request.

(e) Upon its receipt of an Assignment and Acceptance executed by an "Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of $3,500, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender of any Loan to any Federal Reserve Bank in accordance with applicable law.

(g) Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the amounts owing to it hereunder, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the amounts owing to such other Lender hereunder, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the amounts owing to each such other Lender hereunder, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest, unless such Benefitted Lender is required to pay interest thereon, in which case each Lender returning funds to such Benefitted Lender shall pay its pro rata share of such interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the agreement of Holdings, the Borrower, the Agents and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the any Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(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 Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgments. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither any Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and Holdings and the Borrower, 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 Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Agents and the Lenders or among Holdings, the Borrower and the Agents and the Lenders.

10.14 Releases of Guarantees and Liens. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or Guarantee Obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been approved in accordance with Section 10.1 or (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans, the Reimbursement Obligations and the other obligations under the Loan Documents (other than obligations under or in respect of Hedge Agreements or letters of credit obtained other than pursuant to this Agreement) shall have been paid in full, the Tranche A Incremental Term Commitments and the Revolving Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Guarantee and Collateral Agreement, and the Guarantee and Collateral Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Guarantee and Collateral Agreement shall terminate, all without delivery of any instrument or performance of any act by any Person.

10.15 Confidentiality. Each Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent any Agent or any Lender from disclosing any such information (a) to any Agent, any Lender or any affiliate of any Lender or any Approved Fund, (b) to any Transferee or prospective Transferee that agrees to comply with the provisions of this Section, (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates who have a need to know, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document or (j) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section 10.15).

10.16 WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CC VIII HOLDINGS, LLC

By:

Name: Eloise Engman
Title: Vice President

CC VIII OPERATING, LLC

By:

Name: Eloise Engman
Title: Vice President

The Administrative Agent:

TORONTO DOMINION (TEXAS), INC.

By:

Name:
Title:

The Syndication Agent:

CHASE SECURITIES INC.

By:

Name:
Title:

The Documentation Agents:

BANK OF NOVA SCOTIA

By:

Name:
Title:

THE BANK OF NEW YORK, INC.

By:

Name:
Title:

BANC OF AMERICA SECURITIES LLC

By:

Name:
Title:

Annex A

PRICING GRID

Consolidated Leverage Ratio	Applicable Margin for Eurodollar Loans		Applicable Margin for ABR Loans		Commitment Fee Rate
	A/RC	B	A/RC	B	
Greater than or equal to 5.50 to 1.0	2.25%	2.75%	1.25%	1.75%	0.375%
Greater than or equal to 4.75 to 1.0 but less than 5.50 to 1.0	2.00%	2.75%	1.00%	1.75%	0.375%
Greater than or equal to 4.50 to 1.0 but less than 4.75 to 1.0	1.75%	2.75%	0.75%	1.75%	0.375%
Greater than or equal to 4.00 to 1.0 but less than 4.50 to 1.0	1.50%	2.50%	0.50%	1.50%	0.375%
Greater than or equal to 3.75 to 1.0 but less than 4.00 to 1.0	1.25%	2.50%	0.25%	1.50%	0.250%
Greater than or equal to 3.00 to 1.0 but less than 3.75 to 1.0	1.00%	2.50%	0%	1.50%	0.250%
Less than 3.00 to 1.0	0.75%	2.50%	0%	1.50%	0.250%

As used above, (a) "A/RC" refers to Tranche A Term Loans, Revolving Loans and Swingline Loans and (b) "B" refers to Tranche B Term Loans.

Until the first anniversary of the Restatement Effective Date, rates corresponding to a Consolidated Leverage Ratio of less than 4.50 to 1.0 will not be available with respect to Tranche A Term Loans, Revolving Loans and Swingline Loans.

Changes in the Applicable Margin or in the Commitment Fee Rate resulting from changes in the Consolidated Leverage Ratio shall become effective on the date (the "Adjustment Date") on which financial statements are delivered to the Lenders pursuant to Section 6.1 (but in any event not later than the 45th day after the end of each of the first three quarterly periods of each fiscal year or the 90th day after the end of each fiscal year, as the case may be) and shall remain in effect until the next change to be effected pursuant to this paragraph. If any financial statements referred to above are not delivered within the time periods specified above, then, until such financial statements are delivered, the highest rates referred to in the Pricing Grid shall be applicable. In addition, the highest rates referred to in the Pricing Grid shall be applicable at all times while an Event of Default shall have occurred and be continuing.

EXHIBIT 21.1

CHARTER COMMUNICATIONS, INC.
SUBSIDIARIES OF REGISTRANT

212 Seventh Street, Inc.
American Cable Entertainment Company, LLC
ARH Ltd.
Athens Cablevision, Inc.
Ausable Cable TV, Inc.
Bend Cable Communications, LLC
Bresnan Capital Corporation
Cable Equities Colorado LLC
Cable Equities of Colorado Management Corp.
Cable Systems, Inc.
CC Michigan, LLC
CC New England, LLC
CC V Finance, Inc.
CC V Holdings Finance, Inc.
CC V Holdings, LLC
CC V.com LLC
CC VI Holdings, LLC
CC VI Operating, LLC
CC VII Holdings, LLC
CC VIII Holdings, LLC
CC VIII Operating, LLC
CC VIII, LLC
CCG VIII Capital Corporation
CCG VIII, LLL
CCO Property, LLC
CCO Purchasing, LLC
Cedar Bluff Cablevision, Inc.
Cencom Cable Entertainment, LLC
Central Oregon Advertising, LLC
CF Finance LaGrange, Inc.
Charter Advertising Saint Louis, LLC
Charter Cable Operating Company, LLC
Charter Communications Entertainment I, LLC
Charter Communications Entertainment II, LLC
Charter Communications Entertainment, LLC
Charter Communications Holding Company, LLC
Charter Communications Holdings Capital Corporation
Charter Communications Holdings, LLC
Charter Communications Operating, LLC
Charter Communications Properties LLC
Charter Communications Services, LLC
Charter Communications V, LLC
Charter Communications VI, LLC
Charter Communications VII, LLC
Charter Communications, Inc.
Charter Communications, L.L.C.
Charter Fiberlink - Kansas, LLC
Charter Fiberlink - Michigan, LLC
Charter Fiberlink, LLC
Charter RMG, LLC
Charter Telephone of Michigan, LLC
Charter Telephone of Minnesota, LLC
Charter-Helicon, LLC
Charter-LaGrange, L.L.C.

EXHIBIT 21.1

CHARTER COMMUNICATIONS, INC.
SUBSIDIARIES OF REGISTRANT
(CONTINUED)

Cross Country Cable, LLC
Dalton Cablevision, Inc.
Eastern Mississippi Cablevision, Inc.
Enstar Cable Corporation
Enstar Communications Corporation
Enstar Finance Company, LLC
Falcon Cable Communications, LLC
Falcon Cable Media (CA LP)
Falcon Cable Systems Company II, LP
Falcon Cablevision (CA LP)
Falcon Community Cable, L.P.
Falcon Community Investors, LP (CA LP)
Falcon Community Ventures I (CA LP)
Falcon Equipment Company, LLC
Falcon First Cable of New York, Inc.
Falcon First Cable of the Southeast, Inc.
Falcon First Holdings, Inc.
Falcon First, Inc.
Falcon Funding Corporation
Falcon Investors Group, Ltd.
Falcon Lake Las Vegas Cablevision, L.P.
Falcon Media Investors Group (CA LP)
Falcon Pacific Microwave
Falcon Telecable (CA LP)
Falcon Telecable Investors Group (CA LP)
Falcon Telecom, L.P.
Falcon Video Communications Investors, L.P.
Falcon Video Communications, L.P.
Falcon/Capital Cable G.P.
Falcon/Capital Cable Partners, L.P.
FF Cable Holdings, Inc.
Helicon Capital Corp.
Helicon Network Solutions, L.P.
Helicon Online, L.P.
Helicon Partners I, LP
Hometown TV, Inc.
Hornell Television Service, Inc.
HPI Acquisitions Co. LLC
Interlink Communications Partners, LLC
Lauderdale Cablevision, Inc.
Long Beach, LLC
Marcus Cable Associates, L.L.C.
Marcus Cable of Alabama, L.L.C.
Marcus Cable Partners, L.L.C.
Marcus Cable, Inc.
Midwest Cable Communications, Inc.
Midwest Video Electronics, Inc.
Multivision Northeast, Inc.
Multivision of Commerce, Inc.
Peachtree Cable TV, L.P.
Peachtree Cable TV, LLC
Plattsburgh Cablevision, Inc.
Renaissance Media (Louisiana), LLC

EXHIBIT 21.1

CHARTER COMMUNICATIONS, INC.
SUBSIDIARIES OF REGISTRANT
(CONTINUED)

Renaissance Media (Tennessee), LLC
Renaissance Media Capital Corporation
Renaissance Media Group LLC
Renaissance Media LLC
Rifkin Acquisition Capital Corp.
Rifkin Acquisition Partners, LLC
Robin Media Group, Inc.
Scottsboro Cablevision, Inc.
Scottsboro TV Cable, Inc.
SFC Transmissions
Tennessee, LLC
The Helicon Group, L.P.
Tioga Cable Company, Inc.
Vista Broadband Communications, LLC
Wilcat Transmission Co, Inc.

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1,000

YEAR
DEC-31-1999
JAN-01-1999
DEC-31-1999
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(66,229)
(2.22)
(2.22)