CHARTER COMMUNICATIONS, INC. /MO/ (CHTR)

10−K

Annual report pursuant to section 13 and 15(d)
Filed on 2/27/2012
Filed Period 12/31/2011

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

FORM 10−K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011
or

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

For the Transition Period From to

Commission File Number: 001−33664

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 Number)
12405 Powerscourt Drive St. Louis, Missouri 63131	(314) 965−0555
(Address of principal executive offices including zip code)	(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Name of Exchange which registered
Class A Common Stock, $.001 Par Value	NASDAQ Global Select Market

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well−known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S−T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S−K (§ 229.405 of this chapter) 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. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non−accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b−2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non−accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b−2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant of outstanding Class A common stock held by non−affiliates of the registrant at June 30, 2011 was approximately $2.6 billion, computed based on the closing sale price as quoted on the NASDAQ Global Select Market on that date. For purposes of this calculation only, directors, executive officers and the principal controlling shareholders or entities controlled by such controlling shareholders of the registrant are deemed to be affiliates of the registrant.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

There were 100,518,414 shares of Class A common stock outstanding as of January 31, 2012. There were no shares of Class B common stock outstanding as of the same date.

Documents Incorporated By Reference

Information required by Part III is incorporated by reference from Registrant's proxy statement or an amendment to this Annual Report on Form 10−K to be filed by April 29, 2012

CHARTER COMMUNICATIONS, INC.
FORM 10−K — FOR THE YEAR ENDED DECEMBER 31, 2011

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This annual report on Form 10−K is for the year ended December 31, 2011. The Securities and Exchange Commission (“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. and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD−LOOKING STATEMENTS:

This annual report includes forward−looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding, among other things, our plans, strategies and prospects, both business and financial including, without limitation, the forward−looking statements set forth in Part I. Item 1. and in Part II. Item 7. under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report. 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, including, without limitation, the factors described in Part I. Item 1A. under "Risk Factors" and in Part II. Item 7. under the heading, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report. 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," "will," "may," "intend," "estimated," "aim," "on track," "target," "opportunity," "tentative," "positioning" 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 ability to sustain and grow revenues and free cash flow by offering video, Internet, telephone, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures and the difficult economic conditions in the United States;
- the development and deployment of new products and technologies;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers, and digital subscriber line ("DSL") providers and competition from video provided over the Internet;
- general business conditions, economic uncertainty or downturn, high unemployment levels and the level of activity in the housing sector;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents);
- the effects of governmental regulation on our business;
- the availability and access, in general, of funds to meet our debt obligations, prior to or when they become due, and to fund our operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets; and
- our ability to comply with all covenants in our indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of our other obligations under cross−default provisions.

All forward−looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We are under no duty or obligation to update any of the forward−looking statements after the date of this annual report.

PART I

Item 1. Business.

Introduction

We are among the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers. Our infrastructure consists of a hybrid fiber coaxial cable plant passing approximately 12.0 million homes, with 98% of homes passed at 550 megahertz (“MHz”) or greater and 98% of plant miles two−way active. A national Internet Protocol (IP) infrastructure interconnects Charter Communications, Inc. (“Charter”) markets. See "Item 1. Business — Products and Services" for further description of these terms and services, including "customers."

For the year ended December 31, 2011, we generated approximately $7.2 billion in revenue, of which approximately 50% was generated from our residential video service. We also generated revenue from Internet, telephone service and advertising. Internet and telephone service in both residential and commercial markets contributed the majority of the recent growth in our revenue.

As of December 31, 2011, we served approximately 5.2 million residential and commercial customers. We sell our video, Internet and telephone services primarily on a subscription basis, often in a bundle of two or more services, providing savings and convenience to our customers. Bundled services are available to approximately 97% of our homes passed, and approximately 62% of our customers subscribe to a bundle of services.

We served approximately 4.1 million residential video customers as of December 31, 2011, and approximately 79% of our video customers subscribed to digital video service. Digital video enables our customers to access advanced video services such as high definition ("HD") television, Charter OnDemand" (“OnDemand”) video programming, an interactive program guide and digital video recorder (“DVR”) service.

We also served approximately 3.5 million residential Internet customers as of December 31, 2011. Our Internet service is available in a variety of download speeds up to 100 megabits per second (“Mbps”) and upload speeds of up to 5 Mbps. We also offer home networking service, or in−home Wi−Fi, enabling our customers to connect up to five computers wirelessly in the home.

We provided telephone service to approximately 1.8 million residential customers as of December 31, 2011. Our telephone services typically include unlimited local and long distance calling to the U.S., Canada and Puerto Rico, plus other features, including voicemail, call waiting and caller ID.

Through Charter Business®, we provide scalable, tailored broadband communications solutions to business and carrier organizations, such as Internet access, data networking, fiber connectivity to cellular towers and office buildings, video entertainment services and business telephone services. As of December 31, 2011, we served approximately 476,200 commercial primary service units, primarily small− and medium−sized commercial customers. Our advertising sales division, Charter Media®, provides local, regional and national businesses with the opportunity to advertise in individual markets on cable television networks.

We have a history of net losses. Our net losses are principally attributable to insufficient revenue to cover the combination of operating expenses, interest expenses that we incur on our debt, depreciation expenses resulting from the capital investments we have made, and continue to make, in our cable properties, amortization expenses resulting from the application of fresh start accounting and non−cash taxes resulting from increases in our deferred tax liabilities.

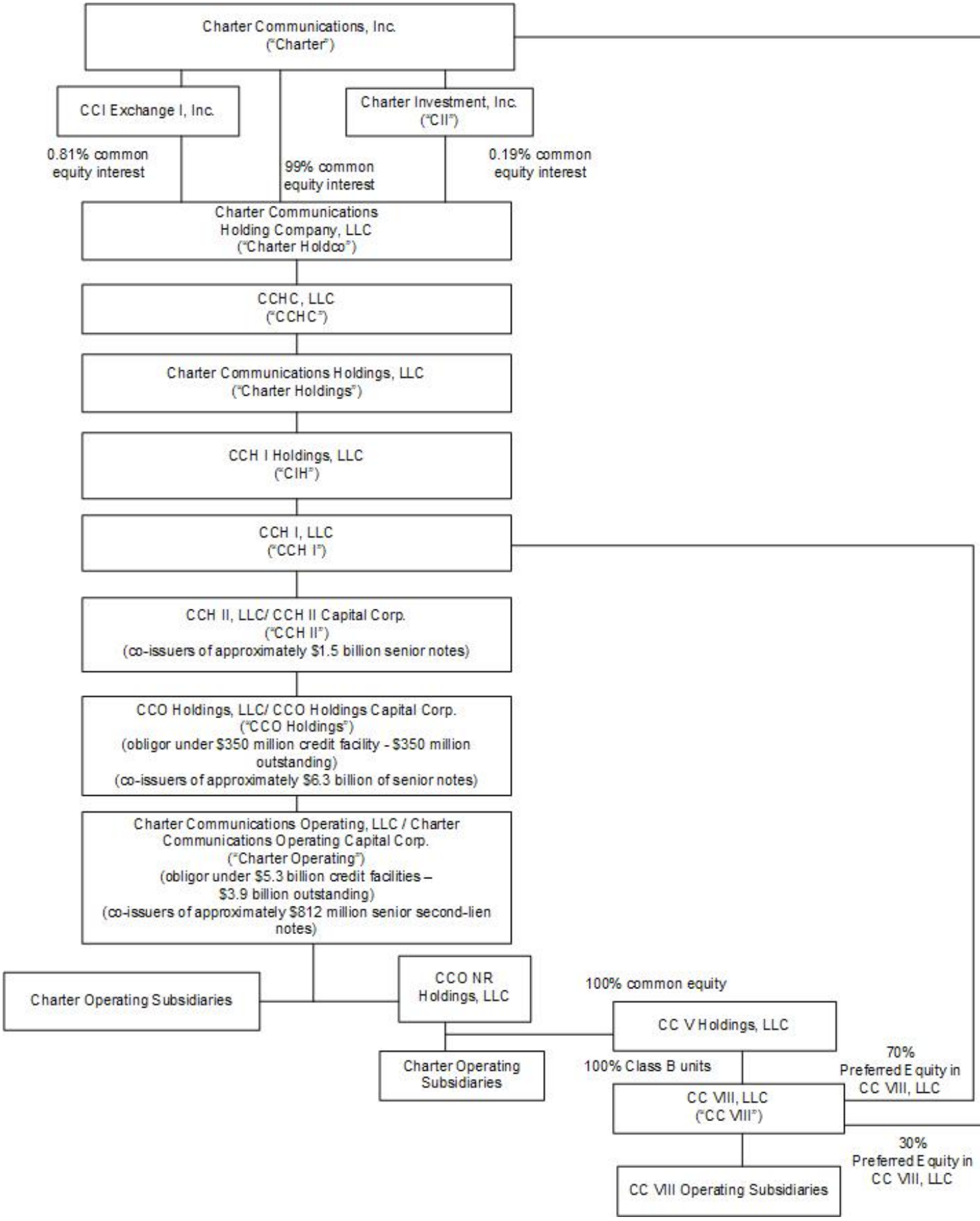
On March 27, 2009, we and certain affiliates filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), to reorganize under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The Chapter 11 cases were jointly administered under the caption In re Charter Communications, Inc., et al., Case No. 09−11435. On May 7, 2009, we filed a Joint Plan of Reorganization (the “Plan”) and a related disclosure statement with the Bankruptcy Court. The Plan was confirmed by the Bankruptcy Court on November 17, 2009 (the “Confirmation Order”), and became effective on November 30, 2009 (the “Effective Date”), the date on which we emerged from protection under Chapter 11 of the Bankruptcy Code.

The terms “Charter,” “we,” “our” and “us,” when used in this report with respect to the period prior to Charter’s emergence from bankruptcy, are references to the Debtors (“Predecessor”) and, when used with respect to the period commencing after Charter’s emergence, are references to Charter (“Successor”). These references include the subsidiaries of Predecessor or Successor, as the case may be, unless otherwise indicated or the context requires otherwise.

Our principal executive offices are located at 12405 Powerscourt Drive, St. Louis, Missouri 63131. Our telephone number is (314) 965−0555, and we have a website accessible at www.charter.com. Since January 1, 2002, our annual reports, quarterly reports and current reports on Form 8−K, and all amendments thereto, have been made available on our website free of charge as soon as reasonably practicable after they have been filed. The information posted on our website is not incorporated into this annual report.

Corporate Entity Structure

The chart below sets forth our entity structure and that of our direct and indirect subsidiaries. This chart does not include all of our affiliates and subsidiaries and, in some cases, we have combined separate entities for presentation purposes. The equity ownership percentages shown below are approximations and do not give effect to any exercise of then outstanding warrants. Indebtedness amounts shown below are principal amounts as of December 31, 2011. See Note 7 to the accompanying consolidated financial statements contained in “Item 8. Financial Statements and Supplementary Data,” which also includes the accreted values of the indebtedness described below.


Charter Communications, Inc.
("Charter")
CCI Exchange I, Inc.
Charter Investment, Inc.
("CII")
0.81% common equity interest
99% common equity interest
0.19% common equity interest
Charter Communications Holding Company, LLC
("Charter Holdco")
CCHC, LLC
("CCHC")
Charter Communications Holdings, LLC
("Charter Holdings")
CCH I Holdings, LLC
("CIH")
CCH I, LLC
("CCH I")
CCH II, LLC/ CCH II Capital Corp.
("CCH II")
(co-issuers of approximately $1.5 billion senior notes)
CCO Holdings, LLC/ CCO Holdings Capital Corp.
("CCO Holdings")
(obligor under $350 million credit facility - $350 million outstanding)
(co-issuers of approximately $6.3 billion of senior notes)
Charter Communications Operating, LLC / Charter Communications Operating Capital Corp.
("Charter Operating")
(obligor under $5.3 billion credit facilities – $3.9 billion outstanding)
(co-issuers of approximately $812 million senior second-lien notes)
Charter Operating Subsidiaries
CCO NR Holdings, LLC
100% common equity
CC V Holdings, LLC
Charter Operating Subsidiaries
100% Class B units
70% Preferred Equity in CC VIII, LLC
CC VIII, LLC
("CC VIII")
30% Preferred Equity in CC VIII, LLC
CC VIII Operating Subsidiaries

Charter Communications, Inc. Charter owns 100% of Charter Communications Holding Company, LLC ("Charter Holdco"). Charter Holdco, through its subsidiaries, owns cable systems. As sole manager under applicable operating agreements, Charter controls the affairs of Charter Holdco and its limited liability company subsidiaries. In addition, Charter provides management services to Charter Holdco and its subsidiaries under a management services agreement.

Interim Holding Company Debt Issuers. As indicated in the organizational chart above, our interim holding company debt issuers indirectly own the subsidiaries that own or operate all of our cable systems, subject to a CC VIII, LLC ("CC VIII") 70% preferred interest held by CCH I, LLC ("CCH I") and 30% preferred interest held by Charter as described below. For a description of the debt issued by these issuers please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Description of Our Outstanding Debt."

Preferred Equity in CC VIII. At December 31, 2011, Charter owned 30% of the CC VIII preferred membership interests. CCH I, an indirect subsidiary of Charter, directly owned the remaining 70% of these preferred interests. The common membership interests in CC VIII are indirectly owned by Charter Operating.

Products and Services

Through our hybrid fiber and coaxial cable network, we offer our customers traditional cable video services (basic and digital, which we refer to as "video" services), as well as advanced video services (such as OnDemand, HD television, and DVR service), Internet services and telephone services. Our telephone services are primarily provided using voice over Internet protocol ("VoIP") technology, to transmit digital voice signals over our systems. Our video, Internet, and telephone services are offered to residential and commercial customers on a subscription basis, with prices and related charges that vary primarily based on the types of service selected, whether the services are sold as a "bundle" or on an individual basis, and the equipment necessary to receive the services, with some variation in prices.

The following table summarizes our customer statistics for basic video, digital video, Internet and telephone as of December 31, 2011 and 2010.

	Approximate as of December 31,			
	2011	(a)	2010	(a)
Video (b)	4,090,300		4,278,400	
Internet (c)	3,491,800		3,246,100	
Telephone (d)	1,791,300		1,717,000	
Residential PSUs (e)	9,373,400		9,241,500	
Video (b)(f)	234,500		242,000	
Internet (c)(g)	162,800		138,500	
Telephone (d)	78,900		59,900	
Commercial PSUs (e)	476,200		440,400	
Digital video RGUs (h)	3,410,400		3,363,200	
Total RGUs (i)	13,260,000		13,045,100	

After giving effect to divestitures and acquisitions of cable systems in 2010 and 2011, residential basic video customers, residential Internet customers and residential telephone customers would have been approximately 4,305,800, 3,263,200 and 1,721,800, respectively, as of December 31, 2010. After giving effect to divestitures and acquisitions of cable systems in 2010 and 2011, commercial basic video customers, commercial Internet customers, commercial telephone customers and digital video revenue generating units would have been approximately 241,900, 138,500, 59,900 and 3,371,300, respectively, as of December 31, 2010.

(a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at December 31, 2011 and 2010, customers include approximately 18,600 and 15,700 customers, respectively, whose accounts were over 60 days past due in payment, approximately 2,500 and 1,800 customers, respectively, whose accounts

were over 90 days past due in payment, and approximately 1,400 and 1,000 customers, respectively, whose accounts were over 120 days past due in payment.

(b) “Video customers” represent those customers who subscribe to our video cable services.

(c) “Internet customers” represent those customers who subscribe to our Internet service.

(d) “Telephone customers” represent those customers who subscribe to our telephone service.

(e) “Primary Service Units” or “PSUs” represent the total of video, Internet and telephone customers.

(f) Included within commercial video customers are those in commercial and multi−dwelling structures, which are calculated on an equivalent bulk unit (“EBU”) basis. We calculate EBUs by dividing the bulk price charged to accounts in an area by the published rate charged to non−bulk residential customers in that market for the comparable tier of service. This EBU method of estimating basic video customers is consistent with the methodology used in determining costs paid to programmers and is consistent with the methodology used by other multiple system operators (“MSOs”). As we increase our published video rates to residential customers without a corresponding increase in the prices charged to commercial service or multi−dwelling customers, our EBU count will decline even if there is no real loss in commercial service or multi−dwelling customers.

(g) Prior year commercial Internet customers were adjusted to reflect current year presentation.

(h) “Digital video RGUs” include all video customers that rent one or more digital set−top boxes or cable cards.

(i) “Revenue generating units” or “RGUs” represent the total of all basic video, digital video, Internet and telephone customers, not counting additional outlets within one household. For example, a customer who receives two types of service (such as basic video and digital video) would be treated as two RGUs and, if that customer added on Internet service, the customer would be treated as three RGUs. This statistic is computed in accordance with the guidelines of the National Cable & Telecommunications Association (“NCTA”).

Video Services

In 2011, residential video services represented approximately 50% of our total revenues. Our video service offerings include the following:

- Basic and Digital Video. All of our video customers receive a package of basic programming which generally consists of local broadcast television, local community programming, including governmental and public access, and limited satellite−delivered or non−broadcast channels, such as weather, shopping and religious programming. Our digital video services include a digital set−top box, an interactive electronic programming guide with parental controls, an expanded menu of pay−per−view channels, including OnDemand (available nearly everywhere), digital quality music channels and the option to also receive a cable card. In addition to video programming, digital video service enables customers to receive our advanced video services such as DVRs and HD television.

- Premium Channels. These channels provide original programming, commercial−free movies, sports, and other special event entertainment programming. Although we offer subscriptions to premium channels on an individual basis, we offer an increasing number of digital video and premium channel packages, and we offer premium channels combined with our advanced video services. Customers who purchase premium channels also have access to that programming OnDemand and increasingly over the Internet. Charter offers premium sports content and access to a number of cable programmers such as HBO, Cinemax, EPIX and Turner on an authenticated basis over the Internet on charter.net.

- OnDemand, Subscription OnDemand and Pay−Per−View. OnDemand service allows customers to select from hundreds of movies and other programming at any time. OnDemand includes HD and three dimensional ("3D") content. OnDemand programming options may be accessed for a fee or, in some cases, for no additional charge. In some areas we also offer subscription OnDemand for a monthly fee or included in a digital tier premium channel subscription. Pay−per−view channels allow customers to pay on a per event basis to view a single showing of a recently released movie, a one−time special sporting event, music concert, or similar event on a commercial−free basis.

- High Definition Television. HD television offers our digital customers certain video programming at a higher resolution to improve picture and audio quality versus standard basic or digital video images. We have invested and continue to invest in switched digital video ("SDV") technology and simulcast to increase the number of HD channels offered.

- Digital Video Recorder. DVR service enables customers to digitally record programming and to pause and rewind live programming. Multi−room DVR service permits customers to access and watch any of their video recordings on any other connected television in the customer's home. Charter customers also have the ability to program their DVR's remotely via a website. In early 2011, we entered into an agreement with TiVo to develop software code and allow for the deployment of TiVo enabled set top boxes in our markets. The product utilizes the TiVo user interface and a hybrid platform that leverages traditional cable and next generation IP technologies. We have deployed a version of the TiVo product in our Fort Worth, Texas market and are working with TiVo to actively field test the TiVo product in several other markets with our employees. Charter does not expect that testing to be completed in time for it to fully launch TiVo across the enterprise by the end of the second quarter as previously projected.

- Online. Online video offers our customers the ability to watch traditional TV content over the Internet from any Internet connection in the United States once they are authenticated as a Charter customer. In 2011, Charter added content from HBO Go, Max Go, BTN2Go ("Big Ten Network") and from popular Turner networks to its Online offerings. Charter intends to expand its Online capabilities and to continue to add content in 2012. We also offer a free search and discovery tool which organizes video content already available online through Charter.net such as HBO Go and EPIX with online content from sites such as Netflix, Amazon and Hulu into a single online directory which, we believe, makes it easier for customers to find what they want regardless of the source.

Internet Services

In 2011, residential Internet services represented approximately 24% of our total revenues. We completed the roll out of DOCSIS 3.0 to 93% of our homes passed in 2011, allowing us to offer several tiers of Internet services with speeds up to 100 megabytes per second download to our residential customers. Our Internet services also include our Internet portal, Charter.net, which provides multiple e−mail addresses, as well as variety of content and media from local, national and international providers including entertainment, games, news and sports. We also offer home networking gateways to our Internet customers permitting our customers to wirelessly connect up to five devices within a home. Charter launched its Cloud Drive product in 2011 which provides for on−line storage and back up of customer files and permits customers to access such files remotely at anytime.

Accelerated growth in the number of IP devices and bandwidth used in homes has created a need for faster speeds and greater reliability. Charter is focused on providing services to fill those needs. In 2011, we focused on promoting and leveraging our structural broadband advantage to create new customer relationships. Charter's Internet service received top rankings from PC Magazine and high marks from the FCC in speed testing in 2011.

Telephone Services

In 2011, residential telephone services represented approximately 12% of our total revenues. We provide voice communications services primarily using VoIP technology to transmit digital voice signals over our systems. Charter Telephone includes unlimited nationwide and in−state calling, voicemail, call waiting, caller ID, call forwarding and other features. Charter Telephone® also provides international calling either by the minute or in a package of 250 minutes per month.

Commercial Services

In 2011, commercial services represented approximately 8% of our total revenues. Commercial services offered through Charter Business, include scalable broadband communications solutions for businesses and carrier organizations of all sizes such as Internet access, data networking, fiber connectivity to cellular towers and office buildings, video entertainment services and business telephone services.

- Small Business. Charter offers small businesses (1 − 19 employees) services similar to our residential offerings including a full range of video programming tiers and music services, coax Internet speeds up to 100 Mbps downstream and up to 5 Mbps upstream in its DOCSIS 3.0 markets, a set of business cloud services including web hosting, e−mail and security, and multi−line telephone services with a rich set of more than 30 business features including web−based service management.

- Medium Business. In addition to its other offerings, Charter also offers medium sized businesses (20−199 employees) more complex products such as fiber Internet with symmetrical speeds of up to 1 Gbps and voice trunking services such as primary rate interface (“PRI”) and Session Initiation Protocol ("SIP") Trunks which provide higher−capacity voice services delivered via fiber optic connection. Charter also offers Metro Ethernet service that connects two or more locations for commercial customers with geographically dispersed locations with speeds up to 10 Gbps. Metro Ethernet service can also extend the reach of the customer's local area network or “LAN” within and between metropolitan areas.

- Large Business. Charter offers large businesses (200+ employees) with multiple sites more specialized solutions such as custom fiber networks, Metro and long haul Ethernet, PRI and SIP Trunk services.

- Carrier Wholesale. Charter offers high−capacity last−mile to wireless and wireline telephone providers, Internet service providers and competitive carriers on a wholesale basis.

Sale of Advertising

In 2011, sales of advertising represented approximately 4% of our total revenues. We receive revenues from the sale of local advertising on satellite−delivered networks such as MTV®, CNN® and ESPN®. In any particular market, we generally insert local advertising on up to 40 channels. We also provide cross−channel advertising to some programmers. In addition, we sell advertising on our Internet portal, Charter.net. In most cases, the available advertising time is sold by our sales force, however in some cases, we enter into representation agreements with contiguous cable system operators under which another operator in the area will sell advertising on our behalf for a percentage of the revenue. In some markets, we sell advertising on behalf of other operators.

Charter has deployed Enhanced TV Binary Interchange Format (“EBIF”) technology to set top boxes in select service areas within the Charter footprint. EBIF is a technology foundation that will allow Charter to deliver enhanced and interactive television applications and enable our video customers to use their remote control to interact with their television programming and its advertisements. EBIF will enable Charter’s customers to request such items as coupons, samples, and brochures from advertisers and also will enable advertisers to reach audiences in new ways.

From time to time, certain of our vendors, including programmers and equipment vendors, have purchased advertising from us. For the years ending December 31, 2011, 2010 and 2009, we had advertising revenues from vendors of approximately $51 million, $46 million and $41 million, respectively. These revenues resulted from purchases at market rates pursuant to binding agreements.

Pricing of Our Products and Services

Our revenues are derived principally from the monthly fees customers pay for the services we provide. We typically charge a one−time installation fee which is sometimes waived or discounted during certain promotional periods. The prices we charge for our products and services vary based on the level of service the customer chooses and the geographic market. In accordance with FCC rules, the prices we charge for video cable−related equipment, such as set−top boxes and remote control devices, and for installation services, are based on actual costs plus a permitted rate of return in regulated markets.

We offer reduced−price service for promotional periods in order to attract new customers, to promote the bundling of two or more services and to retain existing customers. We often also offer a two−year price guarantee to our customers. There is no assurance that these customers will remain as customers or at the regular price when the promotional pricing period expires. When customers bundle services, generally the prices are lower per service than if they had only purchased a single service. Approximately 62% of our customers subscribe to a bundle of services.

Our Network Technology

Our network includes three components: the national backbone, regional/metro core and the "last−mile." Both our national backbone and regional/metro core components utilize or plan to utilize a redundant Internet Protocol ("IP") ring architecture with the capability to differentiate quality of service for each residential or commercial product offering. The national backbone provides connectivity from the master headends to nationally centralized content, connectivity and services such as HD programming, voice interexchange points and Internet interexchange points. The regional/metro core components provide connectivity between the master headends and headends within a specific geographic area and enable the delivery of content and services between these network components.

Our last−mile component utilizes the hybrid fiber coaxial cable (“HFC”) architecture, which combines the use of fiber optic cable with coaxial cable. In most systems, we deliver our signals via fiber optic cable from the headend to a group of nodes, and use coaxial cable to deliver the signal from individual nodes to the homes passed served by that node. For our fiber Internet, Ethernet, carrier wholesale, SIP and PRI commercial customers, fiber optic cable is extended from the individual nodes all the way to the customer's site. On average, our system design enables up to 400 homes passed to be served by a single node and provides for six strands of fiber to each node, with two strands activated and four strands reserved for spares and future services. We believe that this hybrid network design provides high capacity and signal quality. The design also provides two−way signal capacity for the addition of further interactive services.

HFC architecture benefits include:

- bandwidth capacity to enable traditional and two−way video and broadband services;
- dedicated bandwidth for two−way services, which avoids return signal interference problems that can occur with two−way communication capability; and
- signal quality and high service reliability.

Approximately 98% of our homes passed are served by systems that have bandwidth of 550 megahertz or greater and are two−way activated at December 31, 2011. This bandwidth capacity enables us to offer digital television, Internet services, telephone service and other advanced video services.

As of December 31, 2011, we have deployed DOCSIS 3.0 wideband technology to 93% of our homes passed allowing us to offer faster high−speed Internet service. We have also deployed SDV technology to accommodate the increasing demands for greater capacity in our network. SDV technology expands network capacity by transmitting only those digital and HD video channels that are being watched within a given grouping of homes at any given time which allows us to expand bandwidth for additional services. As of December 31, 2011, 86% of our homes passed received some portion of their video service via SDV technology.

Management, Customer Care and Marketing

Our corporate office is responsible for coordinating and overseeing operations including establishing company−wide policies and procedures. The corporate office performs certain financial and administrative functions on a centralized basis and performs these services on a cost reimbursement basis pursuant to a management services agreement with one of our subsidiaries. Our field operations are managed by geographic areas with shared service centers for our field sales and marketing function, human resources and training function, finance, and certain areas of customer operations.

Charter continues to focus on improving the customer experience through improvements to our customer care processes, product offerings and the quality and reliability of our service. Our customer care centers are managed centrally. We have eight internal customer care locations including our “centers of excellence” which route calls to the appropriate agents, plus several third−party call center locations that through technology and procedures functions as an integrated system. We also utilize our website to enable our customers to view and pay their bills online, obtain information regarding their account or services, and perform various equipment troubleshooting procedures. Our customers may also obtain support through our on−line chat and e−mail functionality. We are also focusing on improving the reliability and technical quality of our plant to avoid repeat trouble calls, which has resulted in reductions in the number of service−related calls to our care centers and in the number of trouble call truck rolls in 2011 versus 2010.

Our marketing strategy emphasizes our bundled services through targeted marketing programs to existing and potential customers and increases awareness and value of the Charter brand. Marketing expenditures increased by $18 million, or 8%, over the year ended December 31, 2010 to $257 million for the year ended December 31, 2011. Our marketing organization creates and executes marketing programs intended to increase customers, retain existing customers and cross−sell additional products to current customers. We monitor the effectiveness of our marketing efforts, customer perception, competition, pricing, and service preferences, among other factors, to increase our responsiveness to our customers.

Programming

General

We believe that offering a wide variety of programming influences a customer’s decision to subscribe to and retain our cable services. We rely on market research, customer demographics and local programming preferences to determine channel offerings

in each of our markets. We obtain basic and premium programming from a number of suppliers, usually pursuant to written contracts. Our programming contracts generally continue for a fixed period of time, usually from three to ten years, and are subject to negotiated renewal. Some programming suppliers offer financial incentives to support the launch of a channel and/or ongoing marketing support. We also negotiate volume discount pricing structures. We have more recently negotiated for more content rights allowing us to provide programming on−line to our authenticated customers. Programming costs are usually payable each month based on calculations performed by us and are generally subject to annual cost escalations and audits by the programmers.

Costs

Programming is usually made available to us for a license fee, which is generally paid based on the number of customers to whom we make such programming available. Such license fees may include "volume" discounts available for higher numbers of customers, as well as discounts for channel placement or service penetration. Some channels are available without cost to us for a limited period of time, after which we pay for the programming. For home shopping channels, we receive a percentage of the revenue attributable to our customers' purchases, as well as, in some instances, incentives for channel placement.

Our programming costs have increased in every year we have operated in excess of customary inflationary and cost−of−living type increases. We expect them to continue to increase due to a variety of factors including amounts paid for retransmission consent, annual increases imposed by programmers with additional selling power as a result of media consolidation and additional programming, including new sports services and non−linear programming for on−line and OnDemand programming. In particular, sports programming costs have increased significantly over the past several years. In addition, contracts to purchase sports programming sometimes provide for optional additional games to be added to the service and made available on a surcharge basis during the term of the contract.

Federal law allows commercial television broadcast stations to make an election between "must−carry" rights and an alternative "retransmission−consent" regime. When a station opts for the retransmission−consent regime, we are not allowed to carry the station's signal without the station's permission. Continuing demands by owners of broadcast stations for cash payments at substantial increases over amounts paid in prior years in exchange for retransmission consent will likely increase our programming costs or require us to cease carriage of popular programming, potentially leading to a loss of customers in affected markets.

Over the past several years, increases in our video service rates have not fully offset increasing programming costs, and with the impact of increasing competition and other marketplace factors, we do not expect them to do so in the foreseeable future. Although in 2010, we began passing along a portion of amounts paid for retransmission consent to the majority of our customers, our inability to fully pass these programming cost increases on to our video customers has had and is expected in the future to have an adverse impact on our cash flow and operating margins associated with the video product. In order to mitigate reductions of our operating margins due to rapidly increasing programming costs, we continue to review our pricing and programming packaging strategies, and we plan to continue to migrate certain program services from our basic level of service to our digital tiers and limit the launch of non−essential, new networks. As we migrate our programming to our digital tier packages, certain programming that was previously available to all of our customers via an analog signal may only be part of an elective digital tier package offered to our customers for an additional fee. As a result, we expect that the customer base upon which we pay programming fees will proportionately decrease, and the overall expense for providing that service will also decrease. However, reductions in the size of certain programming customer bases may result in the loss of specific volume discount benefits.

We have programming contracts that have expired and others that will expire at or before the end of 2012. We will seek to renegotiate the terms of these agreements. There can be no assurance that these agreements will be renewed on favorable or comparable terms. To the extent that we are unable to reach agreement with certain programmers on terms that we believe are reasonable, we have been, and may in the future be, forced to remove such programming channels from our line−up, which may result in a loss of customers.

Franchises

As of December 31, 2011, our systems operated pursuant to a total of approximately 3,100 franchises, permits, and similar authorizations issued by local and state governmental authorities. Such governmental authorities often must approve a transfer to another party. 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 revenues as defined in the various agreements, which is the maximum amount that may be charged under the applicable federal law. We are entitled to and generally do pass this fee through to the customer.

Prior to the scheduled expiration of most franchises, we generally initiate renewal proceedings with the granting authorities. This process usually takes three years but can take a longer period of time. The Communications Act of 1934, as amended (the “Communications Act”), which is the primary federal statute regulating interstate communications, provides for an orderly franchise renewal process in which granting authorities may not unreasonably withhold renewals. In connection with the franchise renewal process, many governmental authorities require the cable operator to make certain commitments, such as building out certain of the franchise areas, customer service requirements, and supporting and carrying public access channels. Historically we have been able to renew our franchises without incurring significant costs, although any particular franchise may not be renewed on commercially favorable terms or otherwise. Our failure to obtain renewals of our franchises, especially those in the major metropolitan areas where we have the most customers, could have a material adverse effect on our consolidated financial condition, results of operations, or our liquidity, including our ability to comply with our debt covenants. See “— Regulation and Legislation — Video Services — Franchise Matters.”

Competition

We face competition for both residential and commercial customers in the areas of price, service offerings, and service reliability. We compete with other providers of video, high−speed Internet access, telephone services, and other sources of home entertainment. We operate in a very competitive business environment, which can adversely affect the results of our business and operations. We cannot predict the impact on us of broadband services offered by our competitors.

In terms of competition for customers, we view ourselves as a member of the broadband communications industry, which encompasses multi−channel video for television and related broadband services, such as high−speed Internet, telephone, and other interactive video services. In the broadband communications industry, our principal competitors for video services is direct broadcast satellite (“DBS”) and telephone companies. Our principal competitor for high−speed Internet services is DSL service and high−speed Internet provided by telephone companies. Our principal competitors for telephone services are established telephone companies, other telephone service providers, and other carriers, including VoIP providers. At this time, we do not consider other cable operators to be significant competitors in our overall market, as overbuilds are infrequent and geographically spotty (although in any particular market, a cable operator overbuilder would likely be a significant competitor at the local level). We could, however, face additional competition from multi−channel video providers if they began distributing video over the Internet to customers residing outside their current territories.

Our key competitors include:

DBS

Direct broadcast satellite is a significant competitor to cable systems. The two largest DBS providers now serve more than 33 million subscribers nationwide. DBS service allows the subscriber to receive video services directly via satellite using a dish antenna.

Video compression technology and high powered satellites allow DBS providers to offer more than 285 digital channels from a single satellite, thereby surpassing the traditional analog cable system. In 2011, major DBS competitors offered a greater variety of channel packages, and were especially competitive with promotional pricing for more basic services. While we continue to believe that the initial investment by a DBS customer exceeds that of a cable customer, the initial equipment cost for DBS has decreased substantially, as the DBS providers have aggressively marketed offers to new customers of incentives for discounted or free equipment, installation, and multiple units. DBS providers are able to offer service nationwide and are able to establish a national image and branding with standardized offerings, which together with their ability to avoid franchise fees of up to 5% of revenues and property tax, leads to greater efficiencies and lower costs in the lower tiers of service. Also, DBS providers are currently offering more HD programming, including local HD programming. However, we believe that cable−delivered OnDemand and Subscription OnDemand services, which include HD programming, are superior to DBS service, because cable headends can provide two−way communication to deliver many titles which customers can access and control independently, whereas DBS technology can only make available a much smaller number of titles with DVR−like customer control. DBS providers have also made attempts at deployment of Internet access services via satellite, but those services have been technically constrained and of limited appeal.

Telephone Companies and Utilities

Telephone companies, including AT&T Inc. (“AT&T”) and Verizon Communications, Inc. ("Verizon"), offer video and other services in competition with us, and we expect they will increasingly do so in the future. Upgraded portions of these networks carry two−way video, data services and provide digital voice services similar to ours. In the case of Verizon, high−speed data

services (fiber optic service ("FiOS")) offer speeds as high as or higher than ours. In addition, these companies continue to offer their traditional telephone services, as well as service bundles that include wireless voice services provided by affiliated companies. Based on internal estimates, we believe that AT&T and Verizon are offering video services in areas serving approximately 31% to 34% and 3% to 4%, respectively, of our estimated homes passed as of December 31, 2011 and we have experienced customer losses in these areas. AT&T and Verizon have also launched campaigns to capture more of the multiple dwelling unit ("MDU") market. Additional upgrades and product launches are expected in markets in which we operate.

In addition to telephone companies obtaining franchises or alternative authorizations in some areas, and seeking them in others, they have been successful through various means in reducing or streamlining the franchising requirements applicable to them. They have had significant success at the federal and state level in securing FCC rulings and numerous statewide franchise laws that facilitate telephone company entry into the video marketplace. Because telephone companies have been successful in avoiding or reducing franchise and other regulatory requirements that remain applicable to cable operators like us, their competitive posture has often been enhanced. The large scale entry of major telephone companies as direct competitors in the video marketplace has adversely affected the profitability and valuation of our cable systems.

Most telephone companies, which already have plant, an existing customer base, and other operational functions in place (such as billing and service personnel), offer DSL service. DSL service allows Internet access to subscribers at data transmission speeds greater than those formerly available over conventional telephone lines. We believe DSL service is competitive with high−speed Internet service and is often offered at prices lower than our Internet services, although typically at speeds lower than the speeds we offer. However one DSL provider, Century Link, offers DSL services in approximately 12% of our homes passed with speeds comparable to our lower speed tiers. DSL providers may currently be in a better position to offer telephone and data services to businesses since their networks tend to be more complete in commercial areas. We expect DSL to remain a significant competitor to our high−speed Internet services. In addition, the continuing deployment of fiber optics into telephone companies' networks (primarily by Verizon) will enable them to provide even higher bandwidth Internet services.

Our telephone service competes directly with established telephone companies and other carriers, including Internet−based VoIP providers, for both residential and commercial voice service customers. Because we offer voice services, we are subject to considerable competition from telephone companies and other telecommunications providers, including wireless providers with an increasing number of consumers choosing wireless over wired telephone services. The telecommunications and voice services industry is highly competitive and includes competitors with greater financial and personnel resources, strong brand name recognition, and long−standing relationships with regulatory authorities and customers. Moreover, mergers, joint ventures and alliances among our competitors have resulted in providers capable of offering cable television, Internet, and telephone services in direct competition with us.

Additionally, we are subject to limited competition from utilities that possess fiber optic transmission lines capable of transmitting signals with minimal signal distortion. Certain utilities are also developing broadband over power line technology, which may allow the provision of Internet and other broadband services to homes and offices.

Traditional Overbuilds

Cable systems are operated under non−exclusive franchises historically granted by state and 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 such franchise might contain terms and conditions more favorable than those afforded us. Well−financed businesses from outside the cable industry, such as public utilities that already possess fiber optic and other transmission lines in the areas they serve, may over time become competitors. There are a number of cities that have constructed their own cable systems, in a manner similar to city−provided utility services. There also has been interest in traditional cable overbuilds by private companies not affiliated with established local exchange carriers. 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 with equal or better service quality, on a more cost−effective basis than we can. Any such overbuild operation would require access to capital or access to facilities already in place that are capable of delivering cable television programming.

As of December 31, 2011, excluding telephone companies, we are aware of traditional overbuild situations impacting approximately 8% to 9% of our total homes passed and potential traditional overbuild situations in areas servicing approximately an additional 2% of our total homes passed. Additional overbuild situations may occur.

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. Traditionally, cable television has provided higher picture quality and more channel offerings than broadcast television. However, the recent licensing of digital spectrum by the FCC now provides traditional broadcasters with the ability to deliver HD television pictures and multiple digital−quality program streams, as well as advanced digital services such as subscription video and data transmission.

Internet Delivered Video

Internet access facilitates the streaming of video, including movies and television shows, into homes and businesses. Increasingly, content owners are using Internet−based delivery of content directly to consumers, some without charging a fee to access the content. Further, due to consumer electronic innovations, consumers are able to watch such Internet−delivered content on televisions, personal computers, tablets, gaming boxes connected to televisions and mobile devices. We believe some customers have chosen to receive video over the Internet rather than through our VOD and premium video services, thereby reducing our video revenues. We can not predict the impact that Internet delivered video will have on our revenues and adjusted EBITDA as technologies continue to evolve.

Private Cable

Additional competition is posed by satellite master antenna television systems, or SMATV systems, serving MDUs, such as condominiums, apartment complexes, and private residential communities. Private cable systems can offer improved reception of local television stations, and many of the same satellite−delivered program services that are offered by cable systems. Although disadvantaged from a programming cost perspective, 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. The FCC previously adopted regulations that favor SMATV and private cable operators serving MDU complexes, allowing them to continue to secure exclusive contracts with MDU owners. This regulatory disparity provides a competitive advantage to certain of our current and potential competitors.

Other Competitors

Local wireless Internet services operate in some markets using available unlicensed radio spectrum. Various wireless phone companies are now offering third and fourth generation (3G and 4G) wireless high−speed Internet services. In addition, a growing number of commercial areas, such as retail malls, restaurants and airports, offer Wi−Fi Internet service. Numerous local governments are also considering or actively pursuing publicly subsidized Wi−Fi and WiMAX Internet access networks. Operators are also marketing PC cards and "personal hotspots" offering wireless broadband access to their cellular networks. These service options offer another alternative to cable−based Internet access.

Regulation and Legislation

The following summary addresses the key regulatory and legislative developments affecting the cable industry and our three primary services for both residential and commercial customers: video service, Internet service, and telephone service. Cable system operations are extensively regulated by the federal government (primarily the FCC), certain state governments, and many local governments. A failure to comply with these regulations could subject us to substantial penalties. Our business can be dramatically impacted by changes to the existing regulatory framework, whether triggered by legislative, administrative, or judicial rulings. Congress and the FCC have frequently revisited the subject of communications regulation and they are likely to do so again in the future. We could be materially disadvantaged in the future if we are subject to new regulations that do not equally impact our key competitors. We cannot provide assurance that the already extensive regulation of our business will not be expanded in the future.

Video Service

Cable Rate Regulation. The cable industry has operated under a federal rate regulation regime for approximately two decades. The regulations currently restrict the prices that cable systems charge for the minimum level of video programming service, referred to as "basic service," and associated equipment. All other video service offerings are now universally exempt from rate regulation. Although basic service rate regulation operates pursuant to a federal formula, local governments, commonly referred to as local franchising authorities, are primarily responsible for administering this regulation. The majority of our local franchising authorities

have never been certified to regulate basic service cable rates (and order rate reductions and refunds), but they generally retain the right to do so (subject to potential regulatory limitations under state franchising laws), except in those specific communities facing “effective competition,” as defined under federal law. We have secured FCC recognition of effective competition, and become rate deregulated in many of our communities.

There have been frequent calls to impose expanded rate regulation on the cable industry. Confronted with rapidly increasing cable programming costs, it is possible that Congress may adopt new constraints on the retail pricing or packaging of cable programming. For example, there has been legislative and regulatory interest in requiring cable operators to offer historically combined programming services on an à la carte basis. Any such mandate could adversely affect our operations.

Federal rate regulations include certain marketing restrictions that could affect our pricing and packaging of service tiers and equipment. As we attempt to respond to a changing marketplace with competitive pricing practices, we may face regulations that impede our ability to compete.

Must Carry/Retransmission Consent. There are two alternative legal methods for carriage of local broadcast television stations on cable systems. Federal “must carry” regulations require cable systems to carry local broadcast television stations upon the request of the local broadcaster. Alternatively, federal law includes “retransmission consent” regulations, by which popular commercial television stations can prohibit cable carriage unless the cable operator first negotiates for “retransmission consent,” which may be conditioned on significant payments or other concessions. Broadcast stations must elect “must carry” or “retransmission consent” every three years, with the election date of October 1, 2009, for the current period of 2012 through 2014. Either option has a potentially adverse effect on our business by utilizing bandwidth capacity. In addition, popular stations invoking “retransmission consent” have been demanding substantial compensation increases in their negotiations with cable operators.

In September 2007, the FCC adopted an order increasing the cable industry’s must−carry obligations by requiring most cable operators to offer “must carry” broadcast signals in both analog and digital format (dual carriage). This requirement, which does not currently include any obligation to carry multiple program streams included within a single digital broadcast transmission (multicast carriage), is scheduled to expire in June 2012, but may be extended by the FCC. Additional government−mandated broadcast carriage obligations could disrupt existing programming commitments, interfere with our preferred use of limited channel capacity, and limit our ability to offer services that appeal to our customers and generate revenues.

Access Channels. Local franchise agreements often require 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 for commercial leased access by unaffiliated third parties, who may offer programming that our customers do not particularly desire. The FCC adopted new rules in 2007 mandating a significant reduction in the rates that operators can charge commercial leased access users and imposing additional administrative requirements that would be burdensome on the cable industry. The effect of the FCC's new rules was stayed by a federal court, pending a cable industry appeal and an adverse finding by the Office of Management and Budget. Under federal statute, commercial leased access programmers are entitled to use up to 15% of a cable system's capacity. Although commercial leased access activity historically has been relatively limited, increased activity in this area could further burden the channel capacity of our cable systems, and potentially limit the amount of services we are able to offer and may necessitate further investments to expand our network capacity.

Access to Programming. The Communications Act and the FCC's “program access” rules generally prevent satellite cable programming networks in which a cable operator has an attributable interest from favoring cable operators over competing multichannel video distributors, such as DBS, and limit the ability of such vendors to offer exclusive programming arrangements to cable operators. This exclusivity prohibition is scheduled to expire in October 2012, but the FCC has extended it in the past and may do so again. Given the heightened competition and media consolidation that we face, it is possible that we will find it increasingly difficult to gain access to popular programming at favorable terms. Such difficulty could adversely impact our business.

Ownership Restrictions. Federal regulation of the communications field traditionally included a host of ownership restrictions, which limited the size of certain media entities and restricted their ability to enter into competing enterprises. Through a series of legislative, regulatory, and judicial actions, most of these restrictions have been either eliminated or substantially relaxed. Changes in this regulatory area could alter the business environment in which we operate.

Pole Attachments. The Communications Act requires most utilities owning utility poles to provide cable systems with access to poles and conduits and simultaneously subjects the rates charged for this access to either federal or state regulation. On April 7, 2011, the FCC amended its existing pole attachment rules to promote broadband deployment. The new order maintains the basic rate formula applicable to “cable” attachments, but reduces the rate formula previously applicable to “telecommunications”

attachments to make it roughly equivalent to the more favorable “cable” attachment rate. Although the new order maintains the status quo treatment of cable−provided VoIP service as an unclassified service eligible for the favorable cable rate, there is still some uncertainty in this area. The new order allows for new penalties in certain cases involving unauthorized attachments, but it generally strengthens the cable industry's ability to access investor−owned utility poles on reasonable rates, terms, and conditions. Several electric utilities have, however, sought review of the new order at the FCC and in the D.C. Circuit Court of Appeals, and another May 2011 FCC order restricting pole attachment rates has also been appealed to the same court. The outcome of these cases could impact the pole attachment rates we pay utility companies.

Cable Equipment. In 1996, Congress enacted a statute requiring the FCC to adopt regulations designed to assure the development of an independent retail market for “navigation devices,” such as cable set−top boxes. As a result, the FCC generally requires cable operators to make a separate offering of security modules (i.e., a “CableCARD”) that can be used with retail navigation devices, and to use these separate security modules even in their own set−top boxes. The FCC’s National Broadband Plan acknowledges that the existing CableCARD rules have not resulted in a competitive retail market for navigation devices. In response to this finding, the FCC commenced a proceeding in April 2010 to adopt standards for a successor technology to CableCARD that would involve the development of smart video devices that are compatible with any multichannel video programming distributor service in the United States. In October 2010, the FCC adopted new interim CableCARD rules applicable until a successor solution emerges. The new rules require cable operators to allow customers to self−install CableCARDs. They also require cable operators to provide and advertise a reasonable discount if subscribers use their own equipment, rather than using the operator−provided equipment otherwise included in a bundled package. The FCC’s actions in this area could impose additional costs on us and affect our ability to innovate.

MDUs / Inside Wiring. The FCC has adopted a series of regulations designed to spur competition to established cable operators in MDU complexes. These regulations allow our competitors to access certain existing cable wiring inside MDUs. The FCC also adopted regulations limiting the ability of established cable operators, like us, to enter into exclusive service contracts for MDU complexes. In their current form, the FCC’s regulations in this area favor our competitors.

Privacy and Information Security Regulation. The Communications Act limits our ability to collect and disclose subscribers’ personally identifiable information for our video, telephone, and high−speed Internet services, as well as provides requirements to safeguard such information. We are subject to additional federal, state, and local laws and regulations that impose additional subscriber and employee privacy restrictions. Further, the FCC, FTC, and many states regulate and restrict the marketing practices of cable operators, including telemarketing and online marketing efforts. Various federal agencies, including the FTC, are now considering new restrictions affecting the use of personal and profiling data for online advertising.

Our operations are also subject to federal and state laws governing information security, including rules requiring customer notification in the event of an information security breach. Congress is considering the adoption of new data security and cybersecurity legislation that could result in additional network and information security requirements for our business.

Other FCC Regulatory Matters. FCC regulations cover a variety of additional areas, including, among other things: (1) equal employment opportunity obligations; (2) customer service standards; (3) technical service standards; (4) mandatory blackouts of certain network, syndicated and sports programming; (5) restrictions on political advertising; (6) restrictions on advertising in children's programming; (7) restrictions on origination cablecasting; (8) restrictions on carriage of lottery programming; (9) sponsorship identification obligations; (10) closed captioning of video programming; (11) licensing of systems and facilities; (12) maintenance of public files; (13) emergency alert systems; and (14) disability access, including new requirements governing video−description and closed−captioning. Each of these regulations restricts our business practices to varying degrees.

It is possible that Congress or the FCC will expand or modify its regulation of cable systems in the future, and we cannot predict at this time how that might impact our business.

Copyright. Cable systems are subject to a federal copyright compulsory license covering carriage of television and radio broadcast signals. The possible modification or elimination of this compulsory copyright license is the subject of continuing legislative and administrative review and could adversely affect our ability to obtain desired broadcast programming. Pursuant to the Satellite Television Extension and Localism Act of 2010, the Copyright Office, the Government Accountability Office and the FCC all issued reports to Congress in 2011 that generally support an eventual phase−out of the compulsory licenses, although they also acknowledge the potential adverse impact on cable subscribers and the absence of any clear marketplace alternative to the compulsory license. If adopted, a phase−out plan could adversely affect our ability to obtain certain programming and substantially increase our programming costs.

Copyright clearances for non−broadcast programming services are arranged through private negotiations. Cable operators also

must obtain music rights for locally originated programming and advertising from the major music performing rights organizations. These licensing fees have been the source of litigation in the past, and we cannot predict with certainty whether license fee disputes may arise in the future.

Franchise Matters. Cable systems generally are operated pursuant to nonexclusive franchises granted by a municipality or other state or local government entity in order to utilize and cross public rights−of−way. Although some state franchising laws grant indefinite franchises, cable franchises generally are granted for fixed terms and in many cases include monetary penalties for noncompliance and may be terminable if the franchisee fails to comply with material provisions. The specific terms and conditions of cable franchises vary significantly between jurisdictions. Cable franchises generally contain provisions governing cable operations, franchise fees, system construction, maintenance, technical performance, customer service standards, and changes in the ownership of the franchisee. A number of states subject cable systems to the jurisdiction of centralized state government agencies, such as public utility commissions. Although local franchising authorities have considerable discretion in establishing franchise terms, certain federal protections benefit cable operators. For example, federal law caps local franchise fees and includes renewal procedures designed to protect incumbent franchisees from arbitrary denials of renewal. Even if a franchise is renewed, however, the local franchising authority may seek to impose new and more onerous requirements as a condition of renewal. Similarly, if a local franchising authority's consent is required for the purchase or sale of a cable system, the local franchising authority may attempt to impose more burdensome requirements as a condition for providing its consent.

The traditional cable franchising regime is undergoing significant change as a result of various federal and state actions. In a series of rulemakings, the FCC has adopted rules that streamlined entry for new competitors (particularly those affiliated with telephone companies) and reduced certain franchising burdens for these new entrants. The FCC adopted more modest relief for existing cable operators.

At the same time, a substantial number of states have adopted new franchising laws. Again, these laws were principally designed to streamline entry for new competitors, and they often provide advantages for these new entrants that are not immediately available to existing cable operators. In many instances, these franchising regimes do not apply to established cable operators until the existing franchise expires or a competitor directly enters the franchise territory. The exact nature of these state franchising laws, and their varying application to new and existing video providers, will impact our franchising obligations and our competitive position.

Internet Service

On December 21, 2010, the FCC adopted new “net neutrality” rules that it deemed necessary to ensure continuation of an “open” Internet that is not unduly restricted by network “gatekeepers,” which went into effect on November 20, 2011. The new rules are based on three core principles of: (1) transparency, (2) no blocking, and (3) no unreasonable discrimination. The rules permit broadband service providers to exercise “reasonable network management” for legitimate management purposes, such as management of congestion, harmful traffic, and network security. The rules also permit usage−based billing, and permit broadband service providers to offer additional specialized services such as facilities−based IP voice services, without being subject to restrictions on discrimination. Although the rules encompass both wireline providers (like us) and wireless providers, the rules are less stringent with regard to wireless providers. Verizon and other parties have filed for additional FCC review, as well as filing an appeal challenging the FCC's authority to issue such rules, which will be heard by the U.S. Court of Appeals for the D.C. Circuit. For now, the FCC will enforce these rules based on case−by−case complaints. Because many of the requirements are vague and because the FCC has not provided clear guidance on implementation, it is unclear how the FCC will enforce its rules and adjudicate any related complaints. The FCC's new rules, if they withstand challenges, as well as any additional legislation or regulation, could impose new obligations and restraints on high−speed Internet providers. Any such rules or statutes could limit our ability to manage our cable systems to obtain value for use of our cable systems and respond to operational and competitive challenges.

As the Internet has matured, it has become the subject of increasing regulatory interest. Congress and federal regulators have adopted a wide range of measures directly or potentially affecting Internet use, including, for example, consumer privacy, copyright protections, defamation liability, taxation, obscenity, and unsolicited commercial e−mail. Content owners are now seeking additional legal mechanisms to combat copyright infringement over the Internet. Pending and future legislation in this area could adversely affect our operations as an Internet service provider and our relationship with our Internet customers. Additionally, the FCC and Congress are considering subjecting Internet access services to the Universal Service funding requirements. These funding requirements could impose significant new costs on our high−speed Internet service. State and local governmental organizations have also adopted Internet−related regulations. These various governmental jurisdictions are also considering additional regulations in these and other areas, such as privacy, pricing, service and product quality, and taxation. The adoption of new Internet regulations or the adaptation of existing laws to the Internet could adversely affect our business.

Telephone Service

The Telecommunications Act of 1996 created a more favorable regulatory environment for us to provide telecommunications and/or competitive voice services than had previously existed. In particular, it established requirements ensuring that competitive telephone companies could interconnect their networks with those providers of traditional telecommunications services to open the market to competition. The FCC has subsequently ruled that competitive telephone companies that support VoIP services, such as those we offer our customers, are entitled to interconnection with incumbent providers of traditional telecommunications services, which ensures that our VoIP services can compete in the market. On November 18, 2011, the FCC released an order significantly changing the rules governing intercarrier compensation payments for the origination and termination of telephone traffic between carriers. The new rules will result in a substantial decrease in intercarrier compensation payments over a multi−year period. We had intercarrier compensation of approximately $23 million in 2011. The decreases over the multi−year transition will affect both the amounts that Charter pays to other carriers and the amounts that Charter receives from other carriers. The schedule and magnitude of these decreases, however, will vary depending on the nature of the carriers and the telephone traffic at issue, and the FCC's new ruling initiates further implementation rulemakings. We cannot yet predict with certainty the balance of the impact on Charter's revenues and expenses for voice services at particular times over this multi−year period.

Further regulatory changes are being considered that could impact our telephone business and that of our primary telecommunications competitors. The FCC and state regulatory authorities are considering, for example, whether certain common carrier regulations traditionally applied to incumbent local exchange carriers should be modified or reduced, and the extent to which common carrier requirements should be extended to VoIP providers. The FCC has already determined that certain providers of telephone services using Internet Protocol technology must comply with requirements relating to 911 emergency services (“E911”), the Communications Assistance for Law Enforcement Act ("CALEA") regarding law enforcement surveillance of communications, Universal Service Fund contribution, customer privacy and Customer Proprietary Network Information issues, number portability, disability access, regulatory fees, and discontinuance of service. In March 2007, a federal appeals court affirmed the FCC’s decision concerning federal regulation of certain VoIP services, but declined to specifically find that VoIP service provided by cable companies, such as we provide, should be regulated only at the federal level. As a result, some states have begun proceedings to subject cable VoIP services to state level regulation. Although we have registered with, or obtained certificates or authorizations from, the FCC and the state regulatory authorities in those states in which we offer competitive voice services in order to ensure the continuity of our services and to maintain needed network interconnection arrangements, it is unclear whether and how these and other ongoing regulatory matters ultimately will be resolved.

Employees

As of December 31, 2011, we had approximately 16,800 full−time equivalent employees. At December 31, 2011, approximately 60 of our employees were represented by collective bargaining agreements. We have never experienced a work stoppage.

Item 1A. Risk Factors.

Risks Related to Our Indebtedness

We have a significant amount of debt and may incur significant additional debt, including secured debt, in the future, which could adversely affect our financial health and our ability to react to changes in our business.

We have a significant amount of debt and may (subject to applicable restrictions in our debt instruments) incur additional debt in the future. As of December 31, 2011, our total principal amount of debt was approximately $12.8 billion.

Because of our significant indebtedness, we may not be able to raise additional capital at reasonable rates, or at all.

Our significant amount of debt could have other important consequences, such as:

- make us vulnerable to interest rate increases, because approximately 18% of our borrowings are, and may continue to be, subject to variable rates of interest;
- expose us to increased interest expense to the extent we refinance existing debt, particularly our bank debt, with higher cost debt;
- require us to dedicate a significant portion of our cash flow from operating activities to make payments on our debt, reducing our funds available for working capital, capital expenditures, and other general corporate expenses;
- limit our flexibility in planning for, or reacting to, changes in our business, the cable and telecommunications industries,

and the economy at large;
- place us at a disadvantage compared to our competitors that have proportionately less debt; and
- adversely affect our relationship with customers and suppliers.

If current debt amounts increase, the related risks that we now face will intensify.

The agreements and instruments governing our debt contain restrictions and limitations that could significantly affect our ability to operate our business, as well as significantly affect our liquidity.

Our credit facilities and the indentures governing our debt contain a number of significant covenants that could adversely affect our ability to operate our business, our liquidity, and our results of operations. These covenants restrict, among other things, our and our subsidiaries' ability to:

- incur additional debt;
- repurchase or redeem equity interests and debt;
- issue equity;
- make certain investments or acquisitions;
- pay dividends or make other distributions;
- dispose of assets or merge;
- enter into related party transactions; and
- grant liens and pledge assets.

Additionally, the Charter Operating credit facilities require Charter Operating to comply with a maximum total leverage covenant and a maximum first lien leverage covenant. The breach of any covenants or obligations in our indentures or credit facilities, not otherwise waived or amended, could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other agreements governing our long−term indebtedness. In addition, the secured lenders under the Charter Operating credit facilities, the holders of the Charter Operating senior second−lien notes, and the secured lenders under the CCO Holdings credit facility could foreclose on their collateral, which includes equity interests in our subsidiaries, and exercise other rights of secured creditors.

We depend on generating (and having available to the applicable obligor) sufficient cash flow to fund our debt obligations, capital expenditures, and ongoing operations.

We are dependent on our cash on hand and free cash flow to fund our debt obligations, capital expenditures and ongoing operations.

Our ability to service our debt and to fund our planned capital expenditures and ongoing operations will depend on our ability to continue to generate cash flow and our access (by dividend or otherwise) to additional liquidity sources at the applicable obligor. Our ability to continue to generate cash flow is dependent on many factors, including:

- our ability to sustain and grow revenues and free cash flow by offering video, Internet, telephone, advertising and other services to residential and commercial customers, to adequately meet the customer experience demands in our markets and to maintain and grow our customer base, particularly in the face of increasingly aggressive competition, the need for innovation and the related capital expenditures and the difficult economic conditions in the United States;
- the development and deployment of new products and technologies;
- the impact of competition from other market participants, including but not limited to incumbent telephone companies, direct broadcast satellite operators, wireless broadband and telephone providers and DSL providers and competition from video provided over the Internet;
- general business conditions, economic uncertainty or downturn, high unemployment levels and the level of activity in the housing sector;
- our ability to obtain programming at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher programming costs (including retransmission consents); and
- the effects of governmental regulation on our business.

Some of these factors are beyond our control. If we are unable to generate sufficient cash flow or we are unable to access additional liquidity sources, we may not be able to service and repay our debt, operate our business, respond to competitive challenges, or fund our other liquidity and capital needs.

Restrictions in our subsidiaries' debt instruments and under applicable law limit their ability to provide funds to us and our subsidiaries that are debt issuers.

Our primary assets are our equity interests in our subsidiaries. Our operating subsidiaries are separate and distinct legal entities and are not obligated to make funds available to their debt issuer holding companies for payments on our notes or other obligations in the form of loans, distributions, or otherwise. Charter Operating's and CCO Holdings' ability to make distributions to us or the applicable debt issuers to service debt obligations is subject to their compliance with the terms of their credit facilities and indentures, and restrictions under applicable law. See "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Limitations on Distributions" and "— Summary of Restrictive Covenants of Our Notes – Restrictions on Distributions." Under the Delaware Limited Liability Company Act (the "Act"), our subsidiaries may only make distributions if the relevant entity has "surplus" as defined in the Act. Under fraudulent transfer laws, our subsidiaries may not pay dividends if the relevant entity is insolvent or is rendered insolvent thereby. The measures of insolvency for purposes of these fraudulent transfer laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

While we believe that our relevant subsidiaries currently have surplus and are not insolvent, these subsidiaries may become insolvent in the future. Our direct or indirect subsidiaries include the borrowers under the CCO Holdings credit facility and the borrowers and guarantors under the Charter Operating credit facilities. Charter Operating is also an obligor, and its subsidiaries are guarantors under senior second−lien notes, and CCO Holdings is an obligor under its senior notes. As of December 31, 2011, our total principal amount of debt was approximately $12.8 billion.

In the event of bankruptcy, liquidation, or dissolution of one or more of our subsidiaries, that subsidiary's assets would first be applied to satisfy its own obligations, and following such payments, such subsidiary may not have sufficient assets remaining to make payments to its parent company as an equity holder or otherwise. In that event:

- the lenders under CCO Holdings' credit facility and Charter Operating's credit facilities and senior second−lien notes, whose interests are secured by substantially all of our operating assets, and all holders of other debt of CCO Holdings and Charter Operating, will have the right to be paid in full before us from any of our subsidiaries' assets; and
- Charter and CCH I, the holders of preferred membership interests in our subsidiary, CC VIII, would have a claim on a portion of CC VIII's assets that may reduce the amounts available for repayment to holders of our outstanding notes.

All of our outstanding debt is subject to change of control provisions. We may not have the ability to raise the funds necessary to fulfill our obligations under our indebtedness following a change of control, which would place us in default under the applicable debt instruments.

We may not have the ability to raise the funds necessary to fulfill our obligations under our notes and our credit facilities following a change of control. Under the indentures governing our notes, upon the occurrence of specified change of control events, the applicable note issuer is required to offer to repurchase all of its outstanding notes. However, we may not have sufficient access to funds at the time of the change of control event to make the required repurchase of the applicable notes, and all of the notes issuers are limited in their ability to make distributions or other payments to their respective parent company to fund any required repurchase. In addition, a change of control under the Charter Operating credit facilities would result in a default under those credit facilities. Because such credit facilities and our subsidiaries' notes are obligations of our subsidiaries, the credit facilities and our subsidiaries' notes would have to be repaid by our subsidiaries before their assets could be available to their parent companies to repurchase their notes. Any failure to make or complete a change of control offer would place the applicable note issuer or borrower in default under its notes. The failure of our subsidiaries to make a change of control offer or repay the amounts accelerated under their notes and credit facilities would place them in default.

Risks Related to Our Business

We operate in a very competitive business environment, which affects our ability to attract and retain customers and can adversely affect our business and operations.

The industry in which we operate is highly competitive and has become more so in recent years. In some instances, we compete against companies with fewer regulatory burdens, better access to financing, greater personnel resources, greater resources for marketing, greater and more favorable brand name recognition, and long−established relationships with regulatory authorities and customers. Increasing consolidation in the cable industry and the repeal of certain ownership rules have provided additional benefits to certain of our competitors, either through access to financing, resources, or efficiencies of scale. We could also face additional competition from multi−channel video providers if they began distributing video over the Internet to customers residing outside their current territories.

Our principal competitors for video services throughout our territory are DBS providers. The two largest DBS providers are DirecTV and DISH Network. Competition from DBS, including intensive marketing efforts with aggressive pricing, exclusive programming and increased HD broadcasting has had an adverse impact on our ability to retain customers. DBS companies have also expanded their activities in the MDU market. The cable industry, including us, has lost a significant number of video customers to DBS competition, and we face serious challenges in this area in the future.

Telephone companies, including two major telephone companies, AT&T and Verizon, offer video and other services in competition with us, and we expect they will increasingly do so in the future. Upgraded portions of these networks carry two−way video, data service offerings and provide digital voice services similar to ours. In the case of Verizon, high−speed data services offer speeds as high as or higher than ours. In addition, these companies continue to offer their traditional telephone services, as well as service bundles that include wireless voice services provided by affiliated companies. Based on our internal estimates, we believe that AT&T and Verizon are offering video services in areas serving approximately 31% to 34% and 3% to 4%, respectively, of our estimated homes passed as of December 31, 2011, and we have experienced customer losses in these areas. AT&T and Verizon have also launched campaigns to capture more of the MDU market. Additional upgrades and product launches are expected in markets in which we operate. With respect to our Internet access services, we face competition, including intensive marketing efforts and aggressive pricing, from telephone companies and other providers of DSL. DSL service competes with our Internet service and is often offered at prices lower than our Internet services, although often at speeds lower than the speeds we offer. However one DSL provider, Century Link, offers DSL services in approximately 12% of our homes passed with speeds comparable to our lower speed tiers. In addition, in many of our markets, DSL providers have entered into co−marketing arrangements with DBS providers to offer service bundles combining video services provided by a DBS provider with DSL and traditional telephone and wireless services offered by the telephone companies and their affiliates. These service bundles offer customers similar pricing and convenience advantages as our bundles. Continued growth in our residential telephone business faces risks. The competitive landscape for residential and commercial telephone services is intense; we face competition from providers of Internet telephone services, as well as incumbent telephone companies. Further, we face increasing competition for residential telephone services as more consumers in the United States are replacing traditional telephone service with wireless service.

The existence of more than one cable system operating in the same territory is referred to as an overbuild. Overbuilds could adversely affect our growth, financial condition, and results of operations, by creating or increasing competition. Based on internal estimates and excluding telephone companies, as of December 31, 2011, we are aware of traditional overbuild situations impacting approximately 8% to 9% of our estimated homes passed, and potential traditional overbuild situations in areas servicing approximately an additional 2% of our estimated homes passed. Additional overbuild situations may occur in other systems.

In order to attract new customers, from time to time we make promotional offers, including offers of temporarily reduced price or free service. These promotional programs result in significant advertising, programming and operating expenses, and also may require us to make capital expenditures to acquire and install customer premise equipment. Customers who subscribe to our services as a result of these offerings may not remain customers following the end of the promotional period. A failure to retain customers could have a material adverse effect on our business.

Mergers, joint ventures, and alliances among franchised, wireless, or private cable operators, DBS providers, local exchange carriers, and others, may provide additional benefits to some of our competitors, either through access to financing, resources, or efficiencies of scale, or the ability to provide multiple services in direct competition with us.

In addition to the various competitive factors discussed above, our business is subject to risks relating to increasing competition for the leisure and entertainment time of consumers. Our business competes with all other sources of entertainment and information delivery, including broadcast television, movies, live events, radio broadcasts, home video products, console games, print media,

and the Internet. Further, due to consumer electronic innovations, content owners are allowing consumers to watch Internet−delivered content on televisions, personal computers, tablets, gaming boxes connected to televisions and mobile devices, some without charging a fee to access the content. Technological advancements, such as video−on−demand, new video formats, and Internet streaming and downloading, have increased the number of entertainment and information delivery choices available to consumers, and intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences could also negatively impact advertisers' willingness to purchase advertising from us, as well as the price they are willing to pay for advertising. If we do not respond appropriately to further increases in the leisure and entertainment choices available to consumers, our competitive position could deteriorate, and our financial results could suffer.

Our services may not allow us to compete effectively. Additionally, as we expand our offerings to introduce new and enhanced services, we will be subject to competition from other providers of the services we offer. Competition may reduce our expected growth of future cash flows which may contribute to future impairments of our franchises and goodwill.

Economic conditions in the United States may adversely impact the growth of our business.

We believe that continued competition and the weakened economic conditions in the United States, including the housing market and relatively high unemployment levels, have adversely affected consumer demand for our services, particularly basic video. These conditions combined with our disciplined customer acquisition strategy contributed to video revenues declining 2% for the year ended December 31, 2011 compared to the corresponding period in 2010, while we continued to grow our commercial, Internet and telephone businesses. We believe competition from wireless and economic factors have contributed to an increase in the number of homes that replace their traditional telephone service with wireless service thereby impacting the growth of our telephone business. If these conditions do not improve, we believe the growth of our business and results of operations will be further adversely affected which may contribute to future impairments of our franchises and goodwill.

We face risks inherent in our commercial business.

We may encounter unforeseen difficulties as we increase the scale of our service offerings to businesses. We sell Internet access, data networking and fiber connectivity to cellular towers and office buildings, video and business telephone services to businesses and have increased our focus on growing this business. In order to grow our commercial business, we expect to increase expenditures on technology, equipment and personnel focused on the commercial business. Commercial business customers often require service level agreements and generally have heightened customer expectations for reliability of services. If our efforts to build the infrastructure to scale the commercial business are not successful, the growth of our commercial services business would be limited. We depend on interconnection and related services provided by certain third parties for the growth of our commercial business. As a result, our ability to implement changes as the services grow may be limited. If we are unable to meet these service level requirements or expectations, our commercial business could be adversely affected. Finally, we expect advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment. Consequently, we are unable to predict the effect that ongoing or future developments in these areas might have on our telephone and commercial businesses and operations.

Our exposure to the credit risks of our customers, vendors and third parties could adversely affect our cash flow, results of operations and financial condition.

We are exposed to risks associated with the potential financial instability of our customers, many of whom have been adversely affected by the general economic downturn. Dramatic declines in the housing market, including falling home prices and increasing foreclosures, together with significant increases in unemployment, have severely affected consumer confidence and caused increased delinquencies or cancellations by our customers or lead to unfavorable changes in the mix of products purchased. These events have adversely affected, and may continue to adversely affect our cash flow, results of operations and financial condition.

In addition, we are susceptible to risks associated with the potential financial instability of the vendors and third parties on which we rely to provide products and services or to which we outsource certain functions. The same economic conditions that may affect our customers, as well as volatility and disruption in the capital and credit markets, also could adversely affect vendors and third parties and lead to significant increases in prices, reduction in output or the bankruptcy of our vendors or third parties upon which we rely. Any interruption in the services provided by our vendors or by third parties could adversely affect our cash flow, results of operation and financial condition.

We may not have the ability to reduce the high growth rates of, or pass on to our customers, our increasing programming costs, which would adversely affect our cash flow and operating margins.

Programming has been, and is expected to continue to be, our largest operating expense item. In recent years, the cable industry has experienced a rapid escalation in the cost of programming. We expect programming costs to continue to increase because of a variety of factors including amounts paid for retransmission consent, annual increases imposed by programmers with additional selling power as a result of media consolidation, additional programming, including new sports services and non−linear programming for on−line and OnDemand platforms. The inability to fully pass these programming cost increases on to our customers has had an adverse impact on our cash flow and operating margins associated with the video product. We have programming contracts that have expired and others that will expire at or before the end of 2012. There can be no assurance that these agreements will be renewed on favorable or comparable terms. To the extent that we are unable to reach agreement with certain programmers on terms that we believe are reasonable we may be forced to remove such programming channels from our line−up, which could result in a further loss of customers.

Increased demands by owners of some broadcast stations for carriage of other services or payments to those broadcasters for retransmission consent are likely to further increase our programming costs. Federal law allows commercial television broadcast stations to make an election between "must−carry" rights and an alternative "retransmission−consent" regime. When a station opts for the latter, cable operators are not allowed to carry the station's signal without the station's permission. In some cases, we carry stations under short−term arrangements while we attempt to negotiate new long−term retransmission agreements. If negotiations with these programmers prove unsuccessful, they could require us to cease carrying their signals, possibly for an indefinite period. Any loss of stations could make our video service less attractive to customers, which could result in less subscription and advertising revenue. In retransmission−consent negotiations, broadcasters often condition consent with respect to one station on carriage of one or more other stations or programming services in which they or their affiliates have an interest. Carriage of these other services, as well as increased fees for retransmission rights, may increase our programming expenses and diminish the amount of capacity we have available to introduce new services, which could have an adverse effect on our business and financial results.

Our inability to respond to technological developments and meet customer demand for new products and services could limit our ability to compete effectively.

Our business is characterized by rapid technological change and the introduction of new products and services, some of which are bandwidth−intensive. We may not be able to fund the capital expenditures necessary to keep pace with technological developments, or anticipate the demand of our customers for products and services requiring new technology or bandwidth. Our inability to maintain and expand our upgraded systems and provide advanced services in a timely manner, or to anticipate the demands of the marketplace, could materially adversely affect our ability to attract and retain customers. Consequently, our growth, financial condition and results of operations could suffer materially.

We depend on third party service providers, suppliers and licensors; thus, if we are unable to procure the necessary services, equipment, software or licenses on reasonable terms and on a timely basis, our ability to offer services could be impaired, and our growth, operations, business, financial results and financial condition could be materially adversely affected.

We depend on third party service providers, suppliers and licensors to supply some of the services, hardware, software and operational support necessary to provide some of our services. We obtain these materials from a limited number of vendors, some of which do not have a long operating history or which may not be able to continue to supply the equipment and services we desire. Some of our hardware, software and operational support vendors, and service providers represent our sole source of supply or have, either through contract or as a result of intellectual property rights, a position of some exclusivity. If demand exceeds these vendors' capacity or if these vendors experience operating or financial difficulties, or are otherwise unable to provide the equipment or services we need in a timely manner, at our specifications and at reasonable prices, our ability to provide some services might be materially adversely affected, or the need to procure or develop alternative sources of the affected materials or services might delay our ability to serve our customers. These events could materially and adversely affect our ability to retain and attract customers, and have a material negative impact on our operations, business, financial results and financial condition. A limited number of vendors of key technologies can lead to less product innovation and higher costs. For these reasons, we generally endeavor to establish alternative vendors for materials we consider critical, but may not be able to establish these relationships or be able to obtain required materials on favorable terms.

In that regard, we currently purchase set−top boxes from a limited number of vendors, because each of our cable systems use one or two proprietary conditional access security schemes, which allows us to regulate subscriber access to some services, such as premium channels. We believe that the proprietary nature of these conditional access schemes makes other manufacturers reluctant to produce set−top boxes. Future innovation in set−top boxes may be restricted until these issues are resolved. In addition, we

believe that the general lack of compatibility among set−top box operating systems has slowed the industry’s development and deployment of digital set−top box applications.

We depend on patent, copyright, trademark and trade secret laws and licenses to establish and maintain our intellectual property rights in technology and the products and services used in our operating activities. Any of our intellectual property rights could be challenged or invalidated, or such intellectual property rights may not be sufficient to permit us to continue to use certain intellectual property, which could result in discontinuance of certain product or service offerings or other competitive harm, our incurring substantial monetary liability or being enjoined preliminarily or permanently from further use of the intellectual property in question.

Malicious and abusive activities could disrupt our networks, information systems or properties and could impair our operating activities.

Network and information systems technologies are critical to our operating activities, as well as our customers' access to our services. Malicious and abusive activities, such as the dissemination of computer viruses, worms, and other destructive or disruptive software, computer hackings, social engineering, process breakdowns, denial of service attacks, malicious social engineering and other malicious activities have become more common in industry overall. If directed at us or technologies upon which we depend, these activities could have adverse consequences on our network and our customers, including degradation of service, excessive call volume to call centers, and damage to our or our customers' equipment and data. Further, these activities could result in security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and networks, including customer, personnel and vendor data. If a significant incident were to occur, it could damage our reputation and credibility, lead to customer dissatisfaction and, ultimately, loss of customers or revenue, in addition to increased costs to service our customers and protect our network. These events also could result in large expenditures to repair or replace the damaged properties, networks or information systems or to protect them from similar events in the future. Any significant loss of Internet customers or revenue, or significant increase in costs of serving those customers, could adversely affect our growth, financial condition and results of operations.

For tax purposes, we experienced a deemed ownership change upon emergence from Chapter 11 bankruptcy, resulting in an annual limitation on our ability to use our existing tax loss carryforwards. We could experience another deemed ownership change in the future that could further limit our ability to use our tax loss carryforwards.

As of December 31, 2011, we had approximately $7.4 billion of federal tax net operating and capital loss carryforwards resulting in a gross deferred tax asset of approximately $2.6 billion, expiring in the years 2014 through 2031. These losses resulted from the operations of Charter Holdco and its subsidiaries. In addition, as of December 31, 2011, we had state tax net operating and capital loss carryforwards, resulting in a gross deferred tax asset (net of federal tax benefit) of approximately $252 million, generally expiring in years 2012 through 2031. Due to uncertainties in projected future taxable income, valuation allowances have been established against the gross deferred tax assets for book accounting purposes, except for future taxable income that will result from the reversal of existing temporary differences for which deferred tax liabilities are recognized. Such tax loss carryforwards can accumulate and be used to offset our future taxable income.

The consummation of the Plan generated an “ownership change” as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). In general, an “ownership change” occurs whenever the percentage of the stock of a corporation owned, directly or indirectly, by “5−percent stockholders” (within the meaning of Section 382 of the Code) increases by more than 50 percentage points over the lowest percentage of the stock of such corporation owned, directly or indirectly, by such “5−percent stockholders” at any time over the preceding three years. As a result, Charter is subject to an annual limitation on the use of our loss carryforwards which existed at November 30, 2009. Further, our loss carryforwards have been reduced by the amount of the cancellation of debt income resulting from the Plan that was allocable to Charter. The limitation on our ability to use our loss carryforwards, in conjunction with the loss carryforward expiration provisions, could reduce our ability to use a portion of our loss carryforwards to offset future taxable income which could result in us being required to make material cash tax payments. Our ability to make such income tax payments, if any, will depend at such time on our liquidity or our ability to raise additional capital, and/or on receipt of payments or distributions from Charter Holdco and its subsidiaries.

If Charter were to experience a second ownership change in the future (as a result of purchases and sales of stock by Charter’s 5−percent stockholders, new issuances or redemptions of Charter’s stock, certain acquisitions of Charter’s stock and issuances, redemptions, sales or other dispositions or acquisitions of interests in Charter’s 5−percent stockholders), Charter’s ability to use our loss carryforwards could become subject to further limitations. Our common stock is subject to certain transfer restrictions contained in our amended and restated certificate of incorporation. These restrictions, which are designed to minimize the likelihood of an ownership change occurring and thereby preserve our ability to utilize our loss carryforwards, are not currently operative

but could become operative in the future if certain events occur and the restrictions are imposed by Charter's board of directors. However, there can be no assurance that Charter's board of directors would choose to impose these restrictions or that such restrictions, if imposed, would prevent an ownership change from occurring.

If we are unable to retain key employees, our ability to manage our business could be adversely affected.

Our operational results have depended, and our future results will depend, upon the retention and continued performance of our management team. On October 11, 2011, we announced that Michael J. Lovett, our President and Chief Executive Officer, would be resigning from his positions at Charter following a transition period. On February 13, 2012, Thomas M. Rutledge became President and Chief Executive Officer of Charter. Over the last twelve months, we have experienced other significant changes in our management team and may experience additional changes in the future. Our ability to hire new key employees for management positions could be impacted adversely by the competitive environment for management talent in the telecommunications industry. The loss of the services of key members of management and the inability or delay in hiring new key employees could adversely affect our ability to manage our business and our future operational and financial results.

Risks Related to Ownership Positions of Charter's Principal Shareholders

Charter's principal stockholders own a significant amount of Charter's common stock, giving them influence over corporate transactions and other matters.

Members of Charter's board of directors include directors who are also employed by our principal stockholders, Mr. Darren Glatt is an employee of Apollo Management, L.P.; Mr. Bruce Karsh is the president of Oaktree Capital Management, L.P.; Mr. Stan Parker is a senior partner of Apollo Global Management LLC; and Mr. Edgar Lee is a Senior Vice President of Oaktree Capital Management, L.P. As of December 31, 2011, funds affiliated with AP Charter Holdings, L.P. beneficially held approximately 33% of the Class A common stock of Charter. Oaktree Opportunities Investments, L.P. and certain affiliated funds beneficially held approximately 17% of the Class A common stock of Charter. The board of directors of Charter has nominated Jeffrey Marcus as a candidate for election to the board. Mr. Marcus is a partner of Crestview Partners, L.P. Crestview beneficially held approximately 11% of Charter's outstanding Class A common stock as of December 31, 2011. Charter's principal stockholders may be able to exercise substantial influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate action, such as mergers and other business combination transactions should these stockholders retain a significant ownership interest in us. Charter's principal stockholders are not restricted from investing in, and have invested in, and engaged in, other businesses involving or related to the operation of cable television systems, video programming, Internet service, telephone or business and financial transactions conducted through broadband interactivity and Internet services. The principal stockholders may also engage in other businesses that compete or may in the future compete with us.

The principal stockholders' substantial influence over our management and affairs could create conflicts of interest if any of them were faced with decisions that could have different implications for them and us.

Risks Related to Regulatory and Legislative Matters

Our business is subject to extensive governmental legislation and regulation, which could adversely affect our business.

Regulation of the cable industry has increased cable operators' operational and administrative expenses and limited their revenues. Cable operators are subject to, among other things:

- rules governing the provision of cable equipment and compatibility with new digital technologies;
- rules and regulations relating to subscriber and employee privacy and data security;
- limited rate regulation;
- rules governing the copyright royalties that must be paid for retransmitting broadcast signals;
- requirements governing when a cable system must carry a particular broadcast station and when it must first obtain retransmission consent to carry a broadcast station;
- requirements governing the provision of channel capacity to unaffiliated commercial leased access programmers;
- rules limiting our ability to enter into exclusive agreements with multiple dwelling unit complexes and control our inside wiring;
- rules, regulations, and regulatory policies relating to provision of high−speed Internet service, including net neutrality rules;
- rules, regulations, and regulatory policies relating to provision of voice communications;
- rules for franchise renewals and transfers; and

- other requirements covering a variety of operational areas such as equal employment opportunity, emergency alert systems, technical standards, and customer service requirements.

Additionally, many aspects of these regulations are currently the subject of judicial proceedings and administrative or legislative proposals. In March 2010, the FCC submitted its National Broadband Plan to Congress and announced its intention to initiate approximately 40 rulemakings addressing a host of issues related to the delivery of broadband services, including video, data, VoIP and other services. The broad reach of these rulemakings could ultimately impact the environment in which we operate. There are also ongoing efforts to amend or expand the federal, state, and local regulation of some of our cable systems, which may compound the regulatory risks we already face, and proposals that might make it easier for our employees to unionize. For example, Congress and various federal agencies are now considering adoption of significant new privacy restrictions, including new restrictions on the use of personal and profiling information for behavioral advertising. In response to recent global data breaches, malicious activity and cyber threats, as well as the general increasing concerns regarding the protection of consumers' personal information, Congress is considering the adoption of new data security and cybersecurity legislation that could result in additional network and information security requirements for our business. In the event of a data breach or cyber attack, these new laws, as well as existing legal and regulatory obligations, could require significant expenditures to remedy any such breach or attack. In addition, the Twenty−First Century Communications and Video Accessibility Act of 2010 includes various provisions intended to ensure communications services are accessible to people with disabilities.

Our cable system franchises are subject to non−renewal or termination. The failure to renew a franchise in one or more key markets could adversely affect our business.

Our cable systems generally operate pursuant to franchises, permits, and similar authorizations issued by a state or local governmental authority controlling the public rights−of−way. Many franchises establish comprehensive facilities and service requirements, as well as specific customer service standards and monetary penalties for non−compliance. In many cases, franchises are terminable if the franchisee fails to comply with significant provisions set forth in the franchise agreement governing system operations. Franchises are generally granted for fixed terms and must be periodically renewed. Franchising authorities may resist granting a renewal if either past performance or the prospective operating proposal is considered inadequate. Franchise authorities often demand concessions or other commitments as a condition to renewal. In some instances, local franchises have not been renewed at expiration, and we have operated and are operating under either temporary operating agreements or without a franchise while negotiating renewal terms with the local franchising authorities.

The traditional cable franchising regime is currently undergoing significant change as a result of various federal and state actions. Some of the new state franchising laws do not allow us to immediately opt into favorable statewide franchising. In many cases, state franchising laws will result in fewer franchise imposed requirements for our competitors who are new entrants than for us, until we are able to opt into the applicable state franchise.

We cannot assure you that we will be able to comply with all significant provisions of our franchise agreements and certain of our franchisors have from time to time alleged that we have not complied with these agreements. Additionally, although historically we have renewed our franchises without incurring significant costs, we cannot assure you that we will be able to renew, or to renew as favorably, our franchises in the future. A termination of or a sustained failure to renew a franchise in one or more key markets could adversely affect our business in the affected geographic area.

Our cable system franchises are non−exclusive. Accordingly, local and state franchising authorities can grant additional franchises and create competition in market areas where none existed previously, resulting in overbuilds, which could adversely affect results of operations.

Our cable system franchises are non−exclusive. Consequently, local and state franchising authorities can grant additional franchises to competitors in the same geographic area or operate their own cable systems. In some cases, local government entities and municipal utilities may legally compete with us without obtaining a franchise from the local franchising authority. In addition, certain telephone companies are seeking authority to operate in communities without first obtaining a local franchise. As a result, competing operators may build systems in areas in which we hold franchises.

In a series of rulemakings, the FCC adopted new rules that streamline entry for new competitors (particularly those affiliated with telephone companies) and reduce franchising burdens for these new entrants. At the same time, a substantial number of states have adopted new franchising laws. principally designed to streamline entry for new competitors, and often provide advantages for these new entrants that are not immediately available to existing operators.

Local franchise authorities have the ability to impose additional regulatory constraints on our business, which could further increase our expenses.

In addition to the franchise agreement, cable authorities in some jurisdictions have adopted cable regulatory ordinances that further regulate the operation of cable systems. This additional regulation increases the cost of operating our business. Local franchising authorities may impose new and more restrictive requirements. Local franchising authorities who are certified to regulate rates in the communities where they operate generally have the power to reduce rates and order refunds on the rates charged for basic service and equipment.

Tax legislation and administrative initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We operate cable systems in locations throughout the United States and, as a result, we are subject to the tax laws and regulations of federal, state and local governments. From time to time, various legislative and/or administrative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these initiatives. As a result of state and local budget shortfalls due primarily to the recession as well as other considerations, certain states and localities have imposed or are considering imposing new or additional taxes or fees on our services or changing the methodologies or base on which certain fees and taxes are computed. Such potential changes include additional taxes or fees on our services which could impact our customers, combined reporting and other changes to general business taxes, central/unit−level assessment of property taxes and other matters that could increase our income, franchise, sales, use and/or property tax liabilities. In addition, federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

Further regulation of the cable industry could cause us to delay or cancel service or programming enhancements, or impair our ability to raise rates to cover our increasing costs, resulting in increased losses.

Currently, rate regulation is strictly limited to the basic service tier and associated equipment and installation activities. However, the FCC and Congress continue to be concerned that cable rate increases are exceeding inflation. It is possible that either the FCC or Congress will further restrict the ability of cable system operators to implement rate increases. Should this occur, it would impede our ability to raise our rates. If we are unable to raise our rates in response to increasing costs, our losses would increase.

There has been legislative and regulatory interest in requiring cable operators to offer historically combined programming services on an á la carte basis. It is possible that new marketing restrictions could be adopted in the future. Such restrictions could adversely affect our operations.

Actions by pole owners might subject us to significantly increased pole attachment costs.

Pole attachments are cable wires that are attached to utility poles. Cable system attachments to investor−owned public utility poles historically have been regulated at the federal or state level, generally resulting in favorable pole attachment rates for attachments used to provide cable service. In contrast, utility poles owned by municipalities or cooperatives are not subject to federal regulation and are generally exempt from state regulation. On April 7, 2011, the FCC amended its pole attachment rules to promote broadband deployment. The new order (the "Order") maintains the basic rate formula applicable to "cable" attachments in the 30 states directly subject to FCC regulation, but reduces the rate formula previously applicable to "telecommunications" attachments to make it roughly equivalent to the cable attachment rate. Although the Order maintains the status quo treatment of cable−provided VoIP service as an unclassified service eligible for the favorable cable rate, there is still some uncertainty in this area. The Order also allows for new penalties in certain cases involving unauthorized attachments that could result in additional costs for cable operators. The new Order overall strengthens the cable industry's ability to access investor−owned utility poles on reasonable rates, terms and conditions. Electric utilities filed Petitions for Reconsideration at the FCC and Petitions for Review in the D.C. Circuit Court of Appeals seeking to modify or overturn the FCC’s Order. Charter and other cable operators have intervened in the court proceeding in support of the FCC.

Increasing regulation of our Internet service product could adversely affect our ability to provide new products and services.

On December 21, 2010, the FCC adopted new “net neutrality” rules it deemed necessary to ensure continuation of an “open” Internet that is not unduly restricted by network “gatekeepers,” which went into effect on November 20, 2011. The new rules are based on three core principles of: (1) transparency, (2) no blocking, and (3) no unreasonable discrimination. The rules permit broadband service providers to exercise “reasonable network management” for legitimate management purposes, such as

management of congestion, harmful traffic, and network security. The rules also permit usage−based billing, and permit broadband service providers to offer additional specialized services such as facilities−based IP voice services, without being subject to restrictions on discrimination. Although the rules encompass both wireline providers (like us) and wireless providers, the rules are less stringent with regard to wireless providers. Verizon and other parties have filed for additional FCC review, as well as filing an appeal challenging the FCC's authority to issue such rules, which will be heard by the U.S. Court of Appeals for the D.C. Circuit. For now, the FCC will enforce these rules based on case−by−case complaints. Because many of the requirements are vague and because the FCC has not provided clear guidance on implementation, it is unclear how the FCC will enforce its rules and adjudicate any related complaints. A legislative review is also possible. The FCC's new rules, if they withstand challenges, as well as any additional legislation or regulation, could impose new obligations and restraints on high−speed Internet providers. Any such rules or statutes could limit our ability to manage our cable systems to obtain value for use of our cable systems and respond to operational and competitive challenges.

Changes in channel carriage regulations could impose significant additional costs on us.

Cable operators also face significant regulation of their channel carriage. We can be required to devote substantial capacity to the carriage of programming that we might not carry voluntarily, including certain local broadcast signals; local public, educational and government access ("PEG") programming; and unaffiliated, commercial leased access programming (required channel capacity for use by persons unaffiliated with the cable operator who desire to distribute programming over a cable system). Under FCC regulations, most cable systems are currently required to offer both an analog and digital version of local broadcast signals. This burden could increase further if we are required to carry multiple programming streams included within a single digital broadcast transmission (multicast carriage) or if our broadcast carriage obligations are otherwise expanded. Pursuant to copyright legislation adopted in 2010, the Copyright Office recently issued a report recommending that Congress gradually phase−out the compulsory copyright license through which cable systems have historically retransmitted broadcast programming, but the Copyright Office report failed to identify specific mechanisms for accomplishing that phase−out. At the same time, the cost that cable operators face to secure retransmission consent (separate from copyright authority) for the carriage of popular broadcast stations is increasing significantly. The FCC also adopted new commercial leased access rules (currently stayed while under appeal) which dramatically reduce the rate we can charge for leasing this capacity and dramatically increase our associated administrative burdens. The FCC recently adopted amendments, and is currently considering additional amendments, to its program carriage rules that provide additional rights to programmers dissatisfied with their carriage arrangements with cable and satellite companies to pursue complaints against these companies at the FCC. These regulatory changes could disrupt existing programming commitments, interfere with our preferred use of limited channel capacity, increase our programming costs, and limit our ability to offer services that would maximize our revenue potential. It is possible that other legal restraints will be adopted limiting our discretion over programming decisions.

Offering voice communications service may subject us to additional regulatory burdens, causing us to incur additional costs.

We offer voice communications services over our broadband network and continue to develop and deploy VoIP services. The FCC has ruled that competitive telephone companies that support VoIP services, such as those we offer our customers, are entitled to interconnect with incumbent providers of traditional telecommunications services, which ensure that our VoIP services can compete in the market. The FCC has also declared that certain VoIP services are not subject to traditional state public utility regulation. The full extent of the FCC preemption of state and local regulation of VoIP services is not yet clear. Expanding our offering of these services may require us to obtain certain additional authorizations. We may not be able to obtain such authorizations in a timely manner, or conditions could be imposed upon such licenses or authorizations that may not be favorable to us. Telecommunications companies generally are subject to other significant regulation which could also be extended to VoIP providers. If additional telecommunications regulations are applied to our VoIP service, it could cause us to incur additional costs. The FCC has already extended certain traditional telecommunications carrier requirements, such as E911, Universal Service fund collection, Communications Assistance for Law Enforcement Act ("CALEA"), privacy, Customer Proprietary Network Information, number porting, disability and discontinuance of service requirements to many VoIP providers such as us. On November 18, 2011, the FCC released an order significantly changing the rules governing intercarrier compensation payments for the origination and termination of telephone traffic between carriers. The new rules will result in a substantial decrease in intercarrier compensation payments over a multi−year period. We had intercarrier compensation of approximately $23 million in 2011. The decreases over the multi−year transition will affect both the amounts that Charter pays to other carriers and the amounts that Charter receives from other carriers. The schedule and magnitude of these decreases, however, will vary depending on the nature of the carriers and the telephone traffic at issue, and the FCC's new ruling initiates further implementation rulemakings. We cannot yet predict with certainty the balance of the impact on Charter's revenues and expenses for voice services at particular times over this multi−year period.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal physical assets consist of cable distribution plant and equipment, including signal receiving, encoding and decoding devices, headend reception facilities, distribution systems, and customer premise equipment for each of our cable systems.

Our cable plant and related equipment are generally attached to utility poles under pole rental agreements with local public utilities and telephone companies, and in certain locations are buried in underground ducts or trenches. We own or lease real property for signal reception sites, and own our service vehicles.

Our subsidiaries generally lease space for business offices. Our headend and tower locations are located on owned or leased parcels of land, and we generally own the towers on which our equipment is located. Charter Holdco owns the land and building for our principal executive office.

The physical components of our cable systems require maintenance as well as periodic upgrades to support the new services and products we introduce. See "Item 1. Business – Our Network Technology." We believe that our properties are generally in good operating condition and are suitable for our business operations.

Item 3. Legal Proceedings.

Patent Litigation

Ronald A. Katz Technology Licensing, L.P. v. Charter Communications, Inc. et. al. In 2006, Ronald A. Katz Technology Licensing, L.P. filed a lawsuit against Charter and other parties in the U. S. District Court for the District of Delaware alleging that Charter and the other defendants infringed its interactive call processing patents. Charter denied the allegations raised in the complaint. In 2007, the lawsuit was combined with other cases filed by Katz in a multi−district litigation proceeding in the U.S. District Court for the Central District of California for coordinated and consolidated pretrial proceedings. In 2010, the court denied Katz's motion for summary judgment, struck two affirmative defenses that Charter had raised, invalidated one of the nine remaining claims Katz had asserted and entered a ruling limiting Katz's damages claims. In subsequent rulings related to other defendants, the court invalidated certain patent claims that are currently asserted against Charter. A consolidated appeal involving other co−defendants has since concluded, with the U.S. Court of Appeals for the Federal Circuit confirming invalidity of certain claims and remanding certain rulings back to the district court for further consideration. Based on the Federal Circuit's opinion, the district court has ordered additional summary judgment briefing and some limited pre−trial briefing. When all of these pre−trial proceedings are completed, any matters remaining for trial will be transferred back to the District Court in Delaware. No trial date has been set. Charter has also initiated a reexamination with the U.S. Patent Office challenging the validity of one of the patent claims asserted against it. Charter continues to vigorously contest this matter.

Rembrandt Patent Litigation. In 2006, Rembrandt Technologies, LP filed two lawsuits against Charter and other parties in the U.S. District Court for the Eastern District of Texas, alleging that each defendant's high−speed data service and systems for receipt and retransmission of Advanced Television Systems Committee digital terrestrial broadcast signals infringe nine patents owned by Rembrandt. In 2009, Rembrandt executed a covenant not to sue agreeing to not sue Charter and the other defendants on eight of the contested patents that were then stipulated for dismissal from the case. On September 7, 2011, the court entered final judgment of non−infringement in favor of Charter and the other defendants on the eight patents stipulated for dismissal and on the remaining patent. On September 28, 2011, Rembrandt appealed to the U.S. Court of Appeals for the Federal Circuit for review of the judgment on that remaining patent. Charter continues to vigorously defend this appeal.

We are also defendants or co−defendants in several other unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. Other industry participants are also defendants in certain of these cases.

In the event that a court ultimately determines that we infringe on any intellectual property rights, we may be subject to substantial damages and/or an injunction that could require us or our vendors to modify certain products and services we offer to our subscribers, as well as negotiate royalty or license agreements with respect to the patents at issue. While we believe the lawsuits are without merit and intend to defend the actions vigorously, no assurance can be given that any adverse outcome would not be material to our consolidated financial condition, results of operations, or liquidity.

Bankruptcy Proceedings

On March 27, 2009, Charter filed a Chapter 11 petition in the United States Bankruptcy Court for the Southern District of New York. On November 17, 2009, the Bankruptcy Court issued its Order and Opinion confirming the Plan over the objections of various objectors. Charter consummated the Plan on November 30, 2009 and reinstated the Charter Operating Credit Agreement and certain other debt of its subsidiaries.

Two appeals are pending relating to confirmation of the Plan, the appeals by (i) Law Debenture Trust Company of New York ("Law Debenture Trust") (as the Trustee with respect to the $479 million in aggregate principal amount of 6.50% convertible senior notes due 2027 issued by Charter which are no longer outstanding following consummation of the Plan); and (ii) R_2 Investments, LDC ("R_2 Investments") (a former equity interest holder in Charter). The appeals by Law Debenture Trust and R_2 Investments were denied by the District Court for the Southern District of New York in March 2011. A Notice of Appeal of that denial has been filed by both Law Debenture Trust and R_2 Investments. We cannot predict the ultimate outcome of the appeals nor can we estimate a reasonable range of loss.

Other Proceedings

We have had communications with the United States Environmental Protection Agency ("the EPA") in connection with a self reporting audit which may result in a proceeding. Pursuant to the audit, we discovered certain compliance issues concerning our reports to the EPA for backup batteries used at our facilities. We do not view these matters as material.

We also are party to other lawsuits and claims that arise in the ordinary course of conducting our business, including lawsuits claiming violation of anti−trust laws and violation of wage and hour laws. The ultimate outcome of these other legal matters pending against us or our subsidiaries cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on our consolidated financial condition, results of operations, or liquidity, such lawsuits could have in the aggregate a material adverse effect on our consolidated financial condition, results of operations, or liquidity. Whether or not we ultimately prevail in any particular lawsuit or claim, litigation can be time consuming and costly and injure our reputation.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(A) Market Information

Charter's Class A common stock is listed on the NASDAQ Global Select Market under the symbol "CHTR."

The following table sets forth, for the periods indicated, the range of high and low last reported sale price per share of Charter's Class A common stock after its emergence from bankruptcy from January 1, 2010 to September 13, 2010 on the OTC Bulletin Board or in the "Pink Sheets," and from September 14, 2010 to December 31, 2011 on the NASDAQ Global Select Market. There was no established trading market for Charter's Class B common stock prior to its conversion to Class A common stock on January 18, 2011.

	Class A Common Stock	
	High	Low
2010		
First quarter	$ 35.00	$ 29.50
Second quarter	$ 39.75	$ 33.75
Third quarter	$ 36.50	$ 32.50
Fourth quarter	$ 38.94	$ 32.00
2011		
First quarter	$ 50.63	$ 38.46
Second quarter	$ 59.30	$ 51.66
Third quarter	$ 59.75	$ 42.06
Fourth quarter	$ 56.94	$ 43.67

(B) Holders

As of January 31, 2012, there were approximately 1,170 holders of record of Charter's Class A common stock.

(C) Dividends

Charter has not paid stock or cash dividends on any of its common stock.

Charter would be dependent on distributions from its subsidiaries if Charter were to make any dividends. Covenants in the indentures and credit agreements governing the debt obligations of our subsidiary, CCH II, LLC ("CCH II"), and its subsidiaries restrict their ability to make distributions to us, and accordingly, limit our ability to declare or pay cash dividends. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." Future cash dividends, if any, will be at the discretion of Charter's board of directors and will depend upon, among other things, our future operations and earnings, capital requirements, general financial condition, contractual restrictions and such other factors as Charter's board of directors may deem relevant.

(D) Securities Authorized for Issuance Under Equity Compensation Plans

The following information is provided as of December 31, 2011 with respect to equity compensation plans:

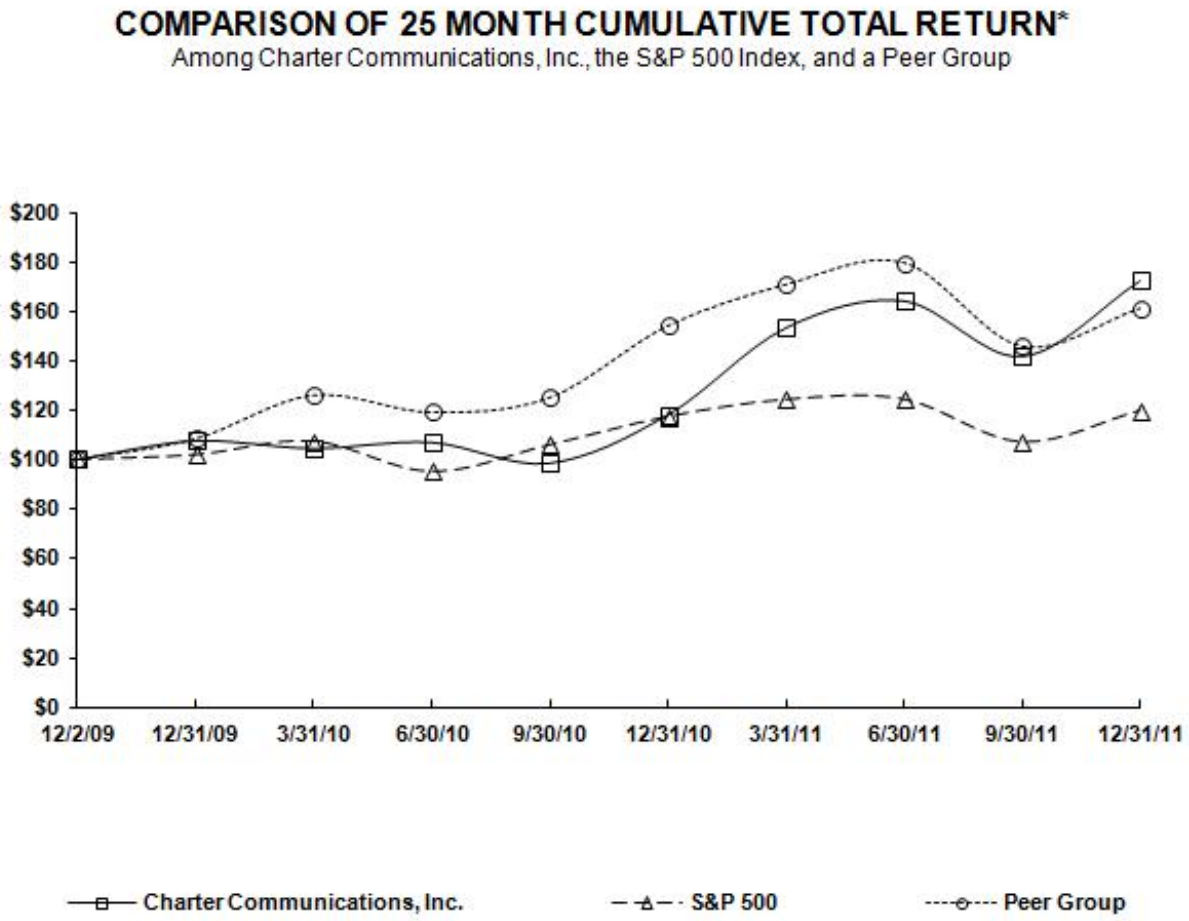
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	4,290,960 (1)	$ 49.87	1,478,908 (1)
Equity compensation plans not approved by security holders	—	$ —	—
TOTAL	4,290,960 (1)	$ 49.87	1,478,908 (1)

(1) This total does not include 1,115,155 shares issued pursuant to restricted stock grants made under our 2009 Stock Incentive Plan, which are subject to vesting based on continued employment and market conditions.

For information regarding securities issued under our equity compensation plans, see Note 17 to our accompanying consolidated financial statements contained in “Item 8. Financial Statements and Supplementary Data.”

(E) Performance Graph

The graph below shows the cumulative total return on Charter's Class A common stock for the period from December 2, 2009 through December 31, 2011, in comparison to the cumulative total return on Standard & Poor's 500 Index and a peer group consisting of the national cable operators that are most comparable to us in terms of size and nature of operations. The Company's peer group consists of Cablevision Systems Corporation, Comcast Corporation, and Time Warner Cable, Inc. The results shown assume that $100 was invested on December 2, 2009 in Charter and peer group stock or on November 30, 2009 for the S&P 500 index and that all dividends were reinvested. These indices are included for comparative purposes only and do not reflect whether it is management's opinion that such indices are an appropriate measure of the relative performance of the stock involved, nor are they intended to forecast or be indicative of future performance of Charter's Class A common stock.



(F) Recent Sales of Unregistered Securities

During 2011, there were no unregistered sales of securities of the registrant other than those previously reported on a Quarterly Report on Form 10−Q or Current Report on Form 8−K.

(G) Purchases of Equity Securities by the Issuer

The following table presents Charter's purchases of equity securities completed during the fourth quarter of 2011.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 − 31, 2011	629,140 (1)	$48.38	629,140	N/A
November 1 − 30, 2011	1,004,790 (1)(2)	$52.14	863,615	N/A
December 1 − 31, 2011	6,043,554 (1)(3)	$53.73	201,600	N/A

(1) In August 2011, Charter's board of directors authorized the repurchase of up to $200 million of Charter's Class A common stock and outstanding warrants. As of December 31, 2011, we had completed our purchases under this authorization with approximately 4.125 million shares of Charter's Class A common stock being purchased for a total of approximately $200 million.

(2) In November 2011, Charter withheld 141,175 shares of its common stock in payment of income tax withholding owed by employees upon vesting of restricted shares.

(3) In December 2011, following approval by a committee of independent directors of the Board of Directors of Charter, Charter agreed to purchase 5.891 million shares in privately negotiated transactions for a total of $321 million, or an average of $54.46 per share. Charter entered into a stock repurchase agreement with a shareholder to purchase 750,000 shares at $55.18, a 1% discount to the closing price on December 22, 2011. We received 700,668 of the shares prior to December 31, 2011, with 49,332 shares received in January 2012. Charter subsequently agreed to acquire an aggregate of 5.141 million shares from certain funds affiliated with Oaktree Capital Management and Apollo Management Holdings at the price of $54.35 per share, a 3.5% discount to the December 23, 2011 closing price.

Item 6. Selected Financial Data.

The following table presents selected consolidated financial data for the periods indicated (dollars in millions, except share data):

	Successor			Predecessor		
	For the Years Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,	For the Years Ended December 31,	
	2011	2010	2009	2009	2008 (a)	2007 (a)
Statement of Operations Data:						
Revenues	$ 7,204	$ 7,059	$ 572	$ 6,183	$ 6,479	$ 6,002
Income (loss) from operations	$ 1,041	$ 1,024	$ 84	$ (1,063)	$ (614)	$ 548
Interest expense, net	$ (963)	$ (877)	$ (68)	$ (1,020)	$ (1,905)	$ (1,861)
Income (loss) before income taxes	$ (70)	$ 58	$ 10	$ 9,748	$ (2,550)	$ (1,318)
Net income (loss) – Charter shareholders	$ (369)	$ (237)	$ 2	$ 11,364	$ (2,451)	$ (1,534)
Basic earnings (loss) per common share	$ (3.39)	$ (2.09)	$ 0.02	$ 30.00	$ (6.56)	$ (4.17)
Diluted earnings (loss) per common share	$ (3.39)	$ (2.09)	$ 0.02	$ 12.61	$ (6.56)	$ (4.17)
Weighted−average shares outstanding, basic	108,948,554	113,138,461	112,078,089	378,784,231	373,464,920	368,240,608
Weighted−average shares outstanding, diluted	108,948,554	113,138,461	114,346,861	902,067,116	373,464,920	368,240,608
Balance Sheet Data (end of period):						
Investment in cable properties	$ 14,843	$ 15,027	$ 15,391		$ 12,448	$ 14,123
Total assets	$ 15,605	$ 15,737	$ 16,658		$ 13,882	$ 14,666
Total debt (including debt subject to compromise)	$ 12,856	$ 12,306	$ 13,322		$ 21,666	$ 19,903
Note payable – related party	$ —	$ —	$ —		$ 75	$ 65
Temporary equity (b)	$ —	$ —	$ —		$ 241	$ 215
Noncontrolling interest (c)	$ —	$ —	$ 2		$ —	$ —
Charter shareholders' equity (deficit)	$ 409	$ 1,478	$ 1,916		$ (10,506)	$ (7,887)
Other Financial Data:						
Ratio of earnings to fixed charges (d)	N/A	1.07	1.14	8.41	N/A	N/A
Deficiency of earnings to cover fixed Charges (d)	$ 70	N/A	N/A	N/A	$ 2,550	$ 1,318

(a) Years ended December 31, 2008 and 2007 have been restated to reflect the retrospective application of accounting guidance for convertible debt with cash settlement features.

(b) Prior to November 30, 2009, temporary equity represented nonvested shares of restricted stock and performance shares issued to employees and Mr. Paul G. Allen's previous 5.6% preferred membership interests in our indirect subsidiary, CC VIII. Mr. Allen's CC VIII interest was classified as temporary equity as a result of Mr. Allen's previous ability to put his interest to the Company upon a change in control. Mr. Allen has subsequently transferred his CC VIII interest to Charter pursuant to the Plan.

(c) Noncontrolling interest, as of December 31, 2009, represents the fair value of Mr. Allen's previous 0.19% interest of Charter Holdco on the Effective Date plus the allocation of income for the month ended December 31, 2009. On February 8, 2010, Mr. Allen exercised his remaining right to exchange Charter Holdco units for shares of Charter Class A common stock after which Charter Holdco became 100% owned by Charter.

(d) Earnings include income (loss) before noncontrolling interest and income taxes plus fixed charges. Fixed charges consist of interest expense and an estimated interest component of rent expense.

Comparability of the above information from year to year is affected by acquisitions and dispositions completed by us. In addition, upon our emergence from bankruptcy, we adopted fresh start accounting. This resulted in us becoming a new entity on December 1, 2009, with a new capital structure, a new accounting basis in the identifiable assets and liabilities assumed and no retained earnings or accumulated losses. Accordingly, the consolidated financial statements on or after December 1, 2009 are not comparable to the consolidated financial statements prior to that date. The financial statements for the periods ended prior to November 30, 2009 do not include the effect of any changes in our capital structure or changes in the fair value of assets and liabilities as a result of fresh start accounting.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Reference is made to "Part I. Item 1A. Risk Factors" and "Cautionary Statement Regarding Forward−Looking Statements," which describe important factors that could cause actual results to differ from expectations and non−historical information contained herein. In addition, the following discussion should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto of Charter Communications, Inc. and subsidiaries included in "Item 8. Financial Statements and Supplementary Data."

Upon our emergence from bankruptcy on November 30, 2009, we adopted fresh start accounting. In accordance with accounting principles generally accepted in the United States ("GAAP"), the accompanying consolidated statements of operations and cash flows contained in "Item 8. Financial Statements and Supplementary Data" present the results of operations and the sources and uses of cash for (i) the eleven months ended November 30, 2009 of the Predecessor and (ii) the one month ended December 31, 2009 of the Successor. However, for purposes of management's discussion and analysis of the results of operations and the sources and uses of cash in this Form 10−K, we have combined the results of operations for the Predecessor and the Successor for 2009. The results of operations of the Predecessor and Successor are not comparable due to the change in basis resulting from the emergence from bankruptcy. This combined presentation is being made solely to explain the changes in results of operations for the periods presented in the financial statements. We also compare the combined results of operations and the sources and uses of cash for the twelve months ended December 31, 2009 with the corresponding periods in 2011 and 2010.

We believe the combined results of operations for the twelve months ended December 31, 2009 provide management and investors with a more meaningful perspective on our ongoing financial and operational performance and trends than if we did not combine the results of operations of the Predecessor and the Successor in this manner.

Overview

We are a cable operator providing services in the United States with approximately 5.2 million residential and commercial customers at December 31, 2011. We offer our customers traditional cable video programming (basic and digital video), Internet services, and telephone services, as well as advanced video services such as OnDemand™ ("OnDemand"), HD television and digital video recorder ("DVR") service. We also sell local advertising on cable networks and provide fiber connectivity to cellular towers. See "Part I. Item 1. Business — Products and Services" for further description of these services, including "customers."

Our most significant competitors are DBS providers and certain telephone companies that offer services that provide features and functions similar to our video, high−speed Internet, and telephone services, including in some cases wireless services, and they also offer these services in bundles similar to ours. See "Business — Competition." In the recent past, we have grown revenues by offsetting basic video customer losses with price increases and sales of incremental services such as high−speed Internet, OnDemand, DVR, HD television, and telephone. We expect to continue to grow revenues in this manner and in addition, we expect to increase revenues by expanding the sales of services to our commercial customers and non−video customers. However, we cannot assure you that we will be able to grow revenues or maintain our margins at recent historical rates.

After giving effect to divestitures and acquisitions of cable systems in 2010 and 2011, during the years ended December 31, 2011 and 2010, we had a decrease in total customers of approximately 12,400 and 116,500, respectively, and lost approximately 215,500 and 214,800 residential basic video customers, respectively. We believe that continued competition and the weakened economic

conditions in the United States, including the housing market and relatively high unemployment levels, have adversely affected consumer demand for our services, particularly basic video. These conditions combined with our disciplined customer acquisition strategy contributed to video revenues declining 2% for the year ended December 31, 2011 compared to the corresponding period in 2010 and remaining flat for the year ended December 31, 2010 compared to the corresponding period in 2009. Total revenue growth was 2% for the year ended December 31, 2011 compared to the corresponding period in 2010 and 5% for the year ended December 31, 2010 compared to the corresponding period in 2009 as we continued to grow our commercial, Internet and telephone businesses. However, we believe competition from wireless and economic factors have contributed to an increase in the number of homes that replace their traditional telephone service with wireless service thereby impacting the growth of our telephone business. Our business plans include goals for increasing the number of customers which contribute to recurring revenue and the opportunity to sell additional services to existing customers. In 2012, we may continue to experience challenges in increasing, or we may continue to lose, customers. If these conditions do not improve, we believe the growth of our business and results of operations will be further adversely affected which may contribute to future impairments of our franchises and goodwill.

Approximately 85% of our revenues for both of the years ended December 31, 2011 and 2010 are attributable to monthly subscription fees charged to customers for our video, Internet, telephone, and commercial services provided by our cable systems. Generally, these customer subscriptions may be discontinued by the customer at any time subject to a fee for early termination of a price guarantee product. The remaining 15% of revenue for fiscal years 2011 and 2010 is derived primarily from advertising revenues, franchise and other regulatory fee revenues (which are collected by us but then paid to local authorities), pay−per−view and OnDemand programming, installation, processing fees or reconnection fees charged to customers to commence or reinstate service, and commissions related to the sale of merchandise by home shopping services.

Our expenses primarily consist of operating costs, selling, general and administrative expenses, depreciation and amortization expense, impairment of franchise intangibles and interest expense. Operating costs primarily include programming costs, the cost of our workforce, cable service related expenses, advertising sales costs and franchise fees. Selling, general and administrative expenses primarily include salaries and benefits, rent expense, billing costs, call center costs, internal network costs, bad debt expense, and property taxes. We control our costs of operations by maintaining strict controls on expenditures. More specifically, we are focused on managing our cost structure by improving workforce productivity, increasing the effectiveness of our purchasing activities and maintaining discipline in customer acquisition.

For the years ended December 31, 2011, 2010 and 2009, adjusted earnings (loss) before interest expense, income taxes, depreciation and amortization ("Adjusted EBITDA") was $2.7 billion, $2.6 billion and $2.5 billion, respectively. See "—Use of Adjusted EBITDA and Free Cash Flow" for further information on Adjusted EBITDA and free cash flow. Adjusted EBITDA increased as a result of continued growth in high margin Internet, commercial and telephone customers, continued disciplined customer acquisition and improving customer service levels. For each of the years ended December 31, 2011 and 2010, our income from operations was $1.0 billion, and for the year ended 2009, our loss from operations was $979 million. Our income from operations for the years ended December 31, 2011 and 2010 compared to the loss from operations for the year ended December 31, 2009 is primarily due to impairment of franchises incurred during 2009 that did not recur in 2011 and 2010.

We have a history of net losses. Our net losses are principally attributable to insufficient revenue to cover the combination of operating expenses, interest expenses that we incur because of our debt, depreciation expenses resulting from the capital investments we have made and continue to make in our cable properties, amortization expenses resulting from the application of fresh start accounting in 2010 and non−cash taxes resulting from increases in our deferred tax liabilities. The Plan resulted in the reduction of the principal amount of our debt by approximately $8 billion, reducing our interest expense by approximately $830 million annually.

Critical Accounting Policies and Estimates

Certain of our accounting policies require our management to make difficult, subjective or complex judgments. Management has discussed these policies with the Audit Committee of Charter's board of directors, and the Audit Committee has reviewed the following disclosure. We consider the following policies to be the most critical in understanding the estimates, assumptions and judgments that are involved in preparing our financial statements, and the uncertainties that could affect our results of operations, financial condition and cash flows:

- Property, plant and equipment
    - Capitalization of labor and overhead costs
    - Impairment
    - Useful lives of property, plant and equipment
- Intangible assets
    - Impairment of franchises
    - Impairment and amortization of customer relationships
    - Impairment of goodwill
    - Impairment of trademarks
- Income taxes
- Litigation
- Programming agreements

In addition, there are other items within our financial statements that require estimates or judgment that are not deemed critical, such as the allowance for doubtful accounts and valuations of our derivative instruments, if any, but changes in estimates or judgment in these other items could also have a material impact on our financial statements.

Property, plant and equipment

The cable industry is capital intensive, and a large portion of our resources are spent on capital activities associated with extending, rebuilding, and upgrading our cable network. As of December 31, 2011 and 2010, the net carrying amount of our property, plant and equipment (consisting primarily of cable network assets) was approximately $6.9 billion (representing 44% of total assets) and $6.8 billion (representing 43% of total assets), respectively. Total capital expenditures for the years ended December 31, 2011, 2010 and 2009 were approximately $1.3 billion, $1.2 billion and $1.1 billion, respectively.

Effective December 1, 2009, we applied fresh start accounting resulting in an approximately $2.0 billion increase to total property, plant and equipment. The cost approach was the primary method used to establish fair value for our property, plant and equipment in connection with the application of fresh start accounting. The cost approach considers the amount required to replace an asset by constructing or purchasing a new asset with similar utility, then adjusts the value in consideration of all forms of depreciation as of the appraisal date.

Capitalization of labor and overhead costs. Costs associated with network construction, initial customer installations (including initial installations of new or additional advanced video services), installation refurbishments, and the addition of network equipment necessary to provide new or advanced video services, are capitalized. While our capitalization is based on specific activities, once capitalized, we track these costs by fixed asset category at the cable system level, and not on a specific asset basis. For assets that are sold or retired, we remove the estimated applicable cost and accumulated depreciation. Costs capitalized as part of initial customer installations include materials, direct labor, and certain indirect costs. These indirect costs are associated with the activities of personnel who assist in connecting and activating the new service, and consist of compensation and overhead costs associated with these support functions. The costs of disconnecting service at a customer's dwelling or reconnecting service to a previously installed dwelling are charged to operating expense in the period incurred. As our service offerings mature and our reconnect activity increases, our capitalizable installations will continue to decrease and therefore our operating expenses will increase. Costs for repairs and maintenance are charged to operating expense as incurred, while equipment replacement, including replacement of certain components, and betterments, including replacement of cable drops from the pole to the dwelling, are capitalized.

We make judgments regarding the installation and construction activities to be capitalized. We capitalize direct labor and overhead using standards developed from actual costs and applicable operational data. We calculate standards annually (or more frequently if circumstances dictate) for items such as the labor rates, overhead rates, and the actual amount of time required to perform a capitalizable activity. For example, the standard amounts of time required to perform capitalizable activities are based on studies of the time required to perform such activities. Overhead rates are established based on an analysis of the nature of costs incurred

in support of capitalizable activities, and a determination of the portion of costs that is directly attributable to capitalizable activities. The impact of changes that resulted from these studies were not material in the periods presented.

Labor costs directly associated with capital projects are capitalized. Capitalizable activities performed in connection with customer installations include such activities as:

- Dispatching a "truck roll" to the customer's dwelling for service connection;
- Verification of serviceability to the customer's dwelling (i.e., determining whether the customer's dwelling is capable of receiving service by our cable network and/or receiving advanced or Internet services);
- Customer premise activities performed by in−house field technicians and third−party contractors in connection with customer installations, installation of network equipment in connection with the installation of expanded services, and equipment replacement and betterment; and
- Verifying the integrity of the customer's network connection by initiating test signals downstream from the headend to the customer's digital set−top box.

Judgment is required to determine the extent to which overhead costs incurred result from specific capital activities, and therefore should be capitalized. The primary costs that are included in the determination of the overhead rate are (i) employee benefits and payroll taxes associated with capitalized direct labor, (ii) direct variable costs associated with capitalizable activities, consisting primarily of installation and construction vehicle costs, (iii) the cost of support personnel, such as dispatchers, who directly assist with capitalizable installation activities, and (iv) indirect costs directly attributable to capitalizable activities.

While we believe our existing capitalization policies are appropriate, a significant change in the nature or extent of our system activities could affect management's judgment about the extent to which we should capitalize direct labor or overhead in the future. We monitor the appropriateness of our capitalization policies, and perform updates to our internal studies on an ongoing basis to determine whether facts or circumstances warrant a change to our capitalization policies. We capitalized internal direct labor and overhead of $199 million, $205 million and $199 million, respectively, for the years ended December 31, 2011, 2010 and 2009.

Impairment. We evaluate the recoverability of our property, plant and equipment upon the occurrence of events or changes in circumstances indicating that the carrying amount of an asset may not be recoverable. Such events or changes in circumstances could include such factors as the impairment of our indefinite life franchises, changes in technological advances, fluctuations in the fair value of such assets, adverse changes in relationships with local franchise authorities, adverse changes in market conditions, or a deterioration of current or expected future operating results. A long−lived asset is deemed impaired when the carrying amount of the asset exceeds the projected undiscounted future cash flows associated with the asset. No impairments of long−lived assets to be held and used were recorded in the years ended December 31, 2011, 2010 and 2009.

Useful lives of property, plant and equipment. We evaluate the appropriateness of estimated useful lives assigned to our property, plant and equipment, based on annual analyses of such useful lives, and revise such lives to the extent warranted by changing facts and circumstances. Any changes in estimated useful lives as a result of these analyses are reflected prospectively beginning in the period in which the study is completed. Our analysis of useful lives in 2011 did not indicate a change in useful lives. The effect of a one−year decrease in the weighted average remaining useful life of our property, plant and equipment as of December 31, 2011 would be an increase in annual depreciation expense of approximately $210 million. The effect of a one−year increase in the weighted average remaining useful life of our property, plant and equipment as of December 31, 2011 would be a decrease in annual depreciation expense of approximately $165 million.

Depreciation expense related to property, plant and equipment totaled $1.3 billion, $1.2 billion and $1.3 billion for the years ended December 31, 2011, 2010 and 2009, respectively, representing approximately 21%, 20% and 17% of costs and expenses, respectively. Depreciation is recorded using the straight−line composite method over management's estimate of the useful lives of the related assets as listed below:

Cable distribution systems……	7−20 years
Customer equipment and installations……..	4−8 years
Vehicles and equipment……	1−6 years
Buildings and leasehold improvements……	15−40 years
Furniture, fixtures and equipment…..……	6−10 years

Intangible assets

In connection with the application of fresh start accounting, franchises and customer relationships were valued using an income approach and were valued at $5.3 billion and $2.4 billion, respectively, as of December 1, 2009. The relief from royalty method was used to value trademarks at $158 million as of December 1, 2009. The fresh start adjustments also resulted in the recording of goodwill of $951 million. See discussion below for a description of the methods used to value intangible assets.

Impairment of franchises. The net carrying value of franchises as of December 31, 2011 and 2010 was approximately $5.3 billion (representing 34% of total assets) and $5.3 billion (representing 33% of total assets), respectively. Franchise rights represent the value attributed to agreements or authorizations with local and state authorities that allow access to homes in cable service areas. For valuation purposes, they are defined as the future economic benefits of the right to solicit and service potential customers (customer marketing rights), and the right to deploy and market new services, such as Internet and telephone, to potential customers (service marketing rights).

Franchise intangible assets that meet specified indefinite life criteria must be tested for impairment annually, or more frequently as warranted by events or changes in circumstances. In determining whether our franchises have an indefinite life, we considered the likelihood of franchise renewals, the expected costs of franchise renewals, and the technological state of the associated cable systems, with a view to whether or not we are in compliance with any technology upgrading requirements specified in a franchise agreement. We have concluded that as of December 31, 2011 and 2010 all of our franchises qualify for indefinite life treatment.

The fair value of franchises for impairment testing is determined based on estimated discrete discounted future cash flows using assumptions consistent with internal forecasts. The franchise after−tax cash flow is calculated as the after−tax cash flow generated by the potential customers obtained (less the anticipated customer churn), and the new services added to those customers in future periods. The sum of the present value of the franchises' after−tax cash flow in years 1 through 10 and the continuing value of the after−tax cash flow beyond year 10 yields the fair value of the franchises. Franchises are expected to generate cash flows indefinitely and are tested for impairment annually, or more frequently as warranted by events or changes in circumstances. Franchises are aggregated into essentially inseparable units of accounting to conduct the valuations. The units of accounting generally represent geographical clustering of our cable systems into groups by which such systems are managed. Management believes such grouping represents the highest and best use of those assets.

We determined the estimated fair value of each unit of accounting utilizing an income approach model based on the present value of the estimated discrete future cash flows attributable to each of the intangible assets identified for each unit assuming a discount rate. This approach makes use of unobservable factors such as projected revenues, expenses, capital expenditures, and a discount rate applied to the estimated cash flows. The determination of the discount rate was based on a weighted average cost of capital approach, which uses a market participant’s cost of equity and after−tax cost of debt and reflects the risks inherent in the cash flows.

We estimated discounted future cash flows using reasonable and appropriate assumptions including among others, penetration rates for basic and digital video, high−speed Internet, and telephone; revenue growth rates; operating margins; and capital expenditures. The assumptions are derived based on Charter’s and its peers’ historical operating performance adjusted for current and expected competitive and economic factors surrounding the cable industry. The estimates and assumptions made in our valuations are inherently subject to significant uncertainties, many of which are beyond our control, and there is no assurance that these results can be achieved. The primary assumptions for which there is a reasonable possibility of the occurrence of a variation that would significantly affect the measurement value include the assumptions regarding revenue growth, programming expense growth rates, the amount and timing of capital expenditures and the discount rate utilized.

The franchise valuation completed for each of the years ended December 31, 2011 and 2010 showed franchise values in excess of book values and thus resulted in no impairment. We recorded non−cash franchise impairment charges of $2.2 billion for the year ended December 31, 2009. The impairment charges recorded in 2009 was primarily the result of the impact of the economic downturn along with increased competition. The valuations used in our impairment assessments involve numerous assumptions as noted above. While economic conditions applicable at the time of the valuations indicate the combination of assumptions utilized in the valuations are reasonable, as market conditions change so will the assumptions, with a resulting impact on the valuations and consequently the potential impairment charge. At December 31, 2011, a 20% decline in the estimated fair value of our franchise assets in each of our units of accounting would have resulted in an impairment charge of approximately $3 million in one of our units of accounting. Management has no reason to believe that any one unit of accounting is more likely than any other to incur impairments of its intangible assets.

Impairment and amortization of customer relationships. The net carrying value of customer relationships as of December 31, 2011 and 2010 was approximately $1.7 billion (representing 11% of total assets) and $2.0 billion (representing 13% of total assets), respectively. Customer relationships, for valuation purposes, represent the value of the business relationship with existing customers (less the anticipated customer churn), and are calculated by projecting the discrete future after−tax cash flows from these customers, including the right to deploy and market additional services to these customers. The present value of these after−tax cash flows yields the fair value of the customer relationships. The use of different valuation assumptions or definitions of franchises or customer relationships, such as our inclusion of the value of selling additional services to our current customers within customer relationships versus franchises, could significantly impact our valuations and any resulting impairment.

We evaluate the recoverability of customer relationships upon the occurrence of events or changes in circumstances indicating that the carrying amount of an asset may not be recoverable. Customer relationships are deemed impaired when the carrying value exceeds the projected undiscounted future cash flows associated with the customer relationships. No impairment of customer relationships was recorded in the years ended December 31, 2011, 2010 or 2009.

Customer relationships are amortized on an accelerated method over useful lives of 11−15 years based on the period over which current customers are expected to generate cash flows. Amortization expense related to customer relationships for the years ended December 31, 2011, 2010 and 2009 was approximately $306 million, $331 million and $29 million, respectively.

Impairment of goodwill. The net carrying value of goodwill as of December 31, 2011 and 2010 was approximately $954 million (representing 6% of total assets) and $951 million (representing 6% of total assets), respectively. Goodwill is tested for impairment as of November 30 of each year, or more frequently as warranted by events or changes in circumstances. The first step involves a comparison of the estimated fair value of each of our reporting units to its carrying amount. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired and the second step of the goodwill impairment is not necessary. If the carrying amount of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed, and a comparison of the implied fair value of the reporting unit's goodwill is compared to its carrying amount to determine the amount of impairment, if any. Reporting units are consistent with the units of accounting used for franchise impairment testing. Likewise the fair values of the reporting units are determined using a consistent income approach model as that used for franchise impairment testing. Our 2011, 2010 and 2009 impairment analyses did not result in any goodwill impairment charges. At December 31, 2011 a 20% decline in the fair values of each of our reporting units would not result in an impairment charge.

Impairment of trademarks. The net carrying value of trademarks as of December 31, 2011 and 2010 was approximately $158 million (representing 1% of total assets). Trademarks are tested annually for impairment, or more frequently as warranted by events or changes in circumstances. The fair value of trademarks is determined using the relief−from−royalty method which applies a fair royalty rate to estimated revenue. Royalty rates are estimated based on a review of market royalty rates in the communications and entertainment industries. As we expect to continue to use each trade name indefinitely, trademarks have been assigned an indefinite life and are tested annually for impairment. The valuation in 2011 showed trademark values in excess of book value, and thus resulted in no impairment.

Income taxes

All of Charter's operations are held through Charter Holdco and its direct and indirect subsidiaries. Charter Holdco and the majority of its subsidiaries are generally limited liability companies that are not subject to income tax. However, certain of these limited liability companies are subject to state income tax. In addition, the indirect subsidiaries that are corporations are subject to federal and state income tax. All of the remaining taxable income, gains, losses, deductions and credits of Charter Holdco pass through to Charter.

As of December 31, 2011, Charter and its indirect corporate subsidiaries had approximately $7.4 billion of federal tax net operating and capital loss carryforwards, resulting in a gross deferred tax asset of approximately $2.6 billion, expiring in the years 2014 through 2031. These losses arose from the operations of Charter Holdco and its subsidiaries. In addition, as of December 31, 2011, Charter and its indirect corporate subsidiaries had state tax net operating and capital loss carryforwards, resulting in a gross deferred tax asset (net of federal tax benefit) of approximately $252 million, generally expiring in years 2012 through 2031. Due to uncertainties in projected future taxable income, valuation allowances have been established against the gross deferred tax assets for book accounting purposes, except for future taxable income that will result from the reversal of existing temporary differences for which deferred tax liabilities are recognized. Such tax loss carryforwards can accumulate and be used to offset Charter's future taxable income.

The consummation of the Plan generated an "ownership change" as defined in Section 382 of the Code. As a result, Charter is subject to limitation on the use of approximately 65% of its tax loss carryforwards. Further, Charter's net operating loss carryforwards have been reduced by the amount of the cancellation of debt income resulting from the Plan that was allocable to Charter. The limitation on Charter's ability to use its tax loss carryforwards, in conjunction with the loss expiration provisions, could reduce its ability to use a portion of Charter's tax loss carryforwards to offset future taxable income.

As of December 31, 2011, $2.6 billion of federal tax loss carryforwards are unrestricted and available for Charter's immediate use, while approximately $4.8 billion of federal tax loss carryforwards are still subject to Section 382 and other restrictions. Pursuant to these restrictions, an aggregate of $1.5 billion, in varying amounts from 2012 to 2014, and an additional $176 million annually over each of the next 17 years of federal tax loss carryforwards, should become unrestricted and available for Charter's use. Both Charter's indirect corporate subsidiary and state tax loss carryforwards are subject to similar but varying restrictions.

In addition to its tax loss carry forwards, Charter also has tax basis of $4.3 billion in intangible assets and $5.0 billion in property, plant, and equipment as of December 31, 2011. The tax basis in these assets is not subject to Section 382 limitations and therefore the related amortization and depreciation is currently deductible. For illustrative purposes, Charter expects to reflect tax−deductible amortization and depreciation on assets owned as of December 31, 2011, beginning at approximately $1.9 billion in 2012 and decelerating over the following 4 years, totaling an estimated $6.6 billion over the five year period. The foregoing projected deductions do not include any amortization or depreciation related to future capital spend or potential acquisitions. In addition, the deductions assume Charter does not utilize accelerated or " bonus" depreciation methods, dispose of a material portion of its business, or make modifications to the underlying partnerships it owns, all of which may materially affect the timing or amount of its existing amortization and depreciation deductions. Any one of these factors or future legislation or adjustments by the IRS upon examination could also affect the projected deductions.

As of December 31, 2011 and 2010, we have recorded net deferred income tax liabilities of $824 million and $538 million, respectively. Net deferred tax liabilities included approximately $221 million and $225 million at December 31, 2011 and 2010, respectively, relating to certain indirect subsidiaries of Charter Holdco that file separate federal or state income tax returns. The remainder of our net deferred tax liability arose from Charter's investment in Charter Holdco, and was largely attributable to the characterization of franchises for financial reporting purposes as indefinite−lived. As part of our net liability, on December 31, 2011 and 2010, we had gross deferred tax assets of $3.8 billion and $3.7 billion, respectively, which primarily relate to tax losses allocated to Charter from Charter Holdco. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Due to our history of losses, we were unable to assume future taxable income in our analysis and accordingly valuation allowances have been established except for deferred benefits available to offset certain deferred tax liabilities that will reverse over time. Accordingly, our gross deferred tax assets have been offset with a corresponding valuation allowance of $2.6 billion and $2.3 billion at December 31, 2011 and 2010, respectively. The amount of the deferred tax assets considered realizable and, therefore, reflected in the consolidated balance sheet, would be increased at such time that it is more−likely−than−not future taxable income will be realized during the carryforward period. At the time this consideration is met, an adjustment to reverse some portion of the existing valuation allowance would result.

In determining our tax provision for financial reporting purposes, Charter establishes a reserve for uncertain tax positions unless such positions are determined to be "more likely than not" of being sustained upon examination, based on their technical merits. In evaluating whether a tax position has met the more−likely−than−not recognition threshold, we presume the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that meets the more−likely−than−not recognition threshold is measured to determine the amount of benefit to be recognized in our financial statements. The tax position is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized when the position is ultimately resolved. There is considerable judgment involved in determining whether positions taken on the tax return are "more likely than not" of being sustained. As of December 31, 2011 and 2010, we have recorded $228 million and $224 million, respectively, of liabilities for uncertain tax positions.

Charter adjusts its uncertain tax reserve estimates periodically because of ongoing examinations by, and settlements with, the various taxing authorities, as well as changes in tax laws, regulations and interpretations.

No tax years for Charter or Charter Holdco are currently under examination by the Internal Revenue Service. Tax years ending 2008 through 2011 remain subject to examination and assessment. Years prior to 2008 remain open solely for purposes of examination of Charter's net operating loss and credit carryforwards.

Litigation

Legal contingencies have a high degree of uncertainty. When a loss from a contingency becomes estimable and probable, a reserve is established. The reserve reflects management's best estimate of the probable cost of ultimate resolution of the matter and is revised as facts and circumstances change. A reserve is released when a matter is ultimately brought to closure or the statute of limitations lapses. We have established reserves for certain matters. Although certain matters are not expected individually to have a material adverse effect on our consolidated financial condition, results of operations or liquidity, such matters could have, in the aggregate, a material adverse effect on our consolidated financial condition, results of operations or liquidity.

Programming Agreements

We exercise significant judgment in estimating programming expense associated with certain video programming contracts. Our policy is to record video programming costs based on our contractual agreements with our programming vendors, which are generally multi−year agreements that provide for us to make payments to the programming vendors at agreed upon market rates based on the number of customers to which we provide the programming service. If a programming contract expires prior to the parties' entry into a new agreement and we continue to distribute the service, we estimate the programming costs during the period there is no contract in place. In doing so, we consider the previous contractual rates, inflation and the status of the negotiations in determining our estimates. When the programming contract terms are finalized, an adjustment to programming expense is recorded, if necessary, to reflect the terms of the new contract. We also make estimates in the recognition of programming expense related to other items, such as the accounting for free periods, timing of rate increases and credits from service interruptions, as well as the allocation of consideration exchanged between the parties in multiple−element transactions.

Significant judgment is also involved when we enter into agreements that result in us receiving cash consideration from the programming vendor, usually in the form of advertising sales, channel positioning fees, launch support or marketing support. In these situations, we must determine based upon facts and circumstances if such cash consideration should be recorded as revenue, a reduction in programming expense or a reduction in another expense category (e.g., marketing).

Results of Operations

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

	Successor				Combined	
	2011		2010		2009	
Revenues	$ 7,204	100%	$ 7,059	100%	$ 6,755	100 %
Costs and Expenses:						
Operating (excluding depreciation and amortization)	3,138	44%	3,064	43%	2,909	43 %
Selling, general and administrative	1,426	20%	1,422	20%	1,380	20 %
Depreciation and amortization	1,592	22%	1,524	22%	1,316	20 %
Impairment of franchises	—	—	—	—	2,163	32 %
Other operating (income) expenses, net	7	—	25	—	(34)	(1)%
	6,163	86%	6,035	85%	7,734	114 %
Income (loss) from operations	1,041	14%	1,024	15%	(979)	(14)%
Interest expense, net (excluding unrecorded interest expense of $558 for year ended December 31, 2009)	(963)		(877)		(1,088)	
Gain due to Plan effects	—		—		6,818	
Gain due to fresh start accounting adjustments	—		—		5,659	
Reorganization items, net	(3)		(6)		(647)	
Loss on extinguishment of debt	(143)		(85)		—	
Other income (expense), net	(2)		2		(5)	
Income (loss) before income taxes	(70)		58		9,758	
Income tax benefit (expense)	(299)		(295)		343	
Consolidated net income (loss)	(369)		(237)		10,101	
Less: Net loss – noncontrolling interest	—		—		1,265	
Net income (loss) – Charter shareholders	$ (369)		$ (237)		$ 11,366	

Revenues. Average monthly revenue per basic video customer, measured on an annual basis, has increased from $114 in 2009 to $126 in 2010 and $136 in 2011. Average monthly revenue per video customer represents total annual revenue, divided by twelve, divided by the average number of basic video customers during the respective period. Revenue growth primarily reflects increases in the number of residential Internet and telephone and commercial business customers, price increases, and incremental video revenues from DVR and HD television services, offset by a decrease in basic video customers. Asset sales and acquisitions reduced the increase in revenues in 2011 as compared to 2010 by approximately $45 million and 2010 as compared to 2009 by approximately $19 million.

Revenues by service offering were as follows (dollars in millions):

	Successor				Combined					
	2011		2010		2009		2011 over 2010		2010 over 2009	
	Revenues	% of Revenues	Revenues	% of Revenues	Revenues	% of Revenues	Change	% Change	Change	% Change
Video	$ 3,602	50%	$ 3,689	52%	$ 3,686	54%	$ (87)	(2)%	$ 3	—
High-speed Internet	1,706	24%	1,606	23%	1,476	22%	100	6 %	130	9%
Telephone	858	12%	823	12%	750	11%	35	4 %	73	10%
Commercial	583	8%	494	7%	446	7%	89	18 %	48	11%
Advertising sales	292	4%	291	4%	249	4%	1	—	42	17%
Other	163	2%	156	2%	148	2%	7	4 %	8	5%
	$ 7,204	100%	$ 7,059	100%	$ 6,755	100%	$ 145	2 %	$ 304	5%

Certain prior year amounts have been reclassified to conform with the 2011 presentation, including the reflection of franchise fees, equipment rental and video customer installation revenue as video revenue, and telephone regulatory fees as telephone revenue, rather than other revenue.

Video revenues consist primarily of revenues from basic and digital video services provided to our non−commercial customers, as well as franchise fees, equipment rental and video installation revenue. Residential basic video customers decreased by 188,100 and 284,500 customers in 2011 and 2010, respectively, or 215,500 and 214,800 customers after giving effect to asset sales and acquisitions, respectively. Digital video customers increased by 47,200 and 145,100 customers in 2011 and 2010, respectively, or 39,100 and 188,200 customers after giving effect to asset sales and acquisitions, respectively. The changes in video revenues are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Incremental video services and price adjustments	$ 22	$ 57
Increase in digital video customers	34	62
Decrease in basic video customers	(113)	(102)
Asset sales and acquisitions	(30)	(14)
	$ (87)	$ 3

Residential Internet customers grew by 245,700 and 183,800 customers in 2011 and 2010, respectively, or 228,600 and 209,800 customers after giving effect to asset sales and acquisitions, respectively. The increases in Internet revenues from our residential customers are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Increase in residential Internet customers	$ 97	$ 109
Price adjustments and service level changes	11	23
Asset sales and acquisitions	(8)	(2)
	$ 100	$ 130

Residential telephone customers grew by 74,300 and 161,000 customers in 2011 and 2010, respectively, or 69,500 and 164,400 customers after giving effect to asset sales and acquisitions, respectively. The increases in telephone revenues from our residential customers are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Increase in residential telephone customers	$ 50	$ 102
Price adjustments and service level changes	(15)	(29)
	$ 35	$ 73

Average monthly revenue per telephone customer decreased during 2011 compared to 2010 and 2010 compared to 2009 due to increased value based packages and bundling.

Commercial revenues consist primarily of revenues from services provided to our commercial customers. The increases in commercial revenues are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Sales to small−to−medium sized business customers	$ 67	$ 36
Carrier site customers	18	12
Other	9	1
Asset sales and acquisitions	(5)	(1)
	$ 89	$ 48

Increases in commercial revenues were the result of improved sales productivity, line extensions for carrier and non−carrier business and our strategic investments, such as DOCSIS 3.0, which enables us to deliver higher speeds and improved reliability to our commercial customers. Commercial PSUs increased 35,800 and 18,700 in 2011 and 2010, respectively, and after giving effect to asset sales and acquisitions, commercial PSUs increased 35,900 and 26,300 in 2011 and 2010, respectively.

Advertising sales revenues consist primarily of revenues from commercial advertising customers, programmers and other vendors. In 2011, advertising sales revenues increased as a result of an increase in revenue from the automotive sector of $3 million combined with an $8 million change to account for revenues received from selling advertising for third parties on a gross basis rather than a net basis, offset by a decrease in revenue from the political sector of $10 million. In 2010, advertising sales revenues increased as a result of increases in all sectors, especially the political and automotive sectors. Asset sales and acquisitions reduced the increase in advertising sales revenue by approximately $1 million and $2 million in 2011 and 2010, respectively. For the years ended December 31, 2011, 2010 and 2009, we received $51 million, $46 million and $41 million, respectively, in advertising sales revenues from vendors.

Other revenues consist of home shopping, late payment fees, wire maintenance fees and other miscellaneous revenues. The increase in 2011 was primarily the result of increases in late payment fees and wire maintenance fees. The increase in 2010 was primarily the result of increases in home shopping, wire maintenance fees and late payment fees. Asset sales and acquisitions reduced the increase in other revenues in 2011 by approximately $1 million.

Operating expenses. The increases in our operating expenses are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Programming costs	$ 73	$ 82
Service labor costs	23	38
Vehicle costs	8	6
Commercial services	3	10
Franchise and regulatory fees	(6)	16
Other, net	(2)	11
Asset sales and acquisitions	(25)	(8)
	$ 74	$ 155

Programming costs were approximately $1.9 billion, $1.8 billion and $1.7 billion, representing 60%, 59% and 60% of total operating expenses for the years ended December 31, 2011, 2010 and 2009, respectively. Programming costs consist primarily of costs paid to programmers for basic, premium, digital, OnDemand, and pay−per−view programming. The increases in programming costs are primarily a result of annual contractual rate adjustments, offset in part by asset sales and customer losses. Programming costs were also offset by the amortization of payments received from programmers of $7 million, $17 million and $26 million in 2011, 2010 and 2009, respectively. We expect programming expenses to continue to increase due to a variety of factors, including amounts paid for retransmission consent, annual increases imposed by programmers, and additional programming, including new sports services and non−linear programming for on−line and OnDemand programming.

Selling, general and administrative expenses. The increases in selling, general and administrative expenses are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Marketing costs	$ 19	$ 15
Stock compensation	9	(1)
Commercial services	7	22
Bad debt and collection costs	(17)	3
Other, net	(3)	8
Asset sales and acquisitions	(11)	(5)
	$ 4	$ 42

The increase in marketing costs for the year ended December 31, 2011 is the result of increased brand and media investment, channel development and increased marketing efforts for commercial and was offset by approximately $7 million of favorable adjustments related to expenses previously accrued on 2010 marketing campaigns. The decrease in bad debt and collection costs for the year ended December 31, 2011 is primarily due to a decrease in write−offs with a focus on the customer lifetime value of connects. We can not assure you that this trend will continue.

Depreciation and amortization. Depreciation and amortization expense increased by $68 million and $208 million in 2011 and 2010, respectively. The increase in 2011 compared to 2010 primarily represents depreciation on more recent capital expenditures, offset by certain assets becoming fully depreciated. The increase in 2010 compared to 2009 was primarily the result of increased amortization associated with the increase in customer relationships as a part of applying fresh start accounting offset by asset sales.

Impairment of franchises. We recorded impairment of $2.2 billion for the year ended December 31, 2009. The impairment recorded in 2009 was a result of the continued economic pressure on our customers from the economic downturn along with increased competition and the related impact to our projected future growth rates. The valuations completed in 2011 and 2010 showed franchise values in excess of book value, and thus resulted in no impairment.

Other operating (income) expenses, net. The changes in other operating (income) expenses, net are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Increases (decreases) in gains (losses) on sales of assets	$ (13)	$ 2
Increases (decreases) in special charges, net	(5)	57
	$ (18)	$ 59

The change in special charges in 2010, as compared to 2009, is a result of litigation settlements received in 2009 which did not recur in 2010. For more information, see Note 15 to the accompanying consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Interest expense, net. Net interest expense increased by $86 million in 2011 from 2010 and decreased $211 million in 2010 from 2009. Net interest expense increased in 2011 compared to 2010 primarily as a result of an increase in our weighted average interest rate from 6.2% for the year ended December 31, 2010 to 7.3% for the year ended December 31, 2011 offset by a decrease in our weighted average debt outstanding from $12.8 billion for the year ended December 31, 2010 to $12.6 billion for the year ended December 31, 2011. Net interest expense decreased in 2010 compared to 2009 primarily as a result of a decrease in average debt outstanding as a result of the completion of our reorganization under Chapter 11 of the Bankruptcy Code and the related reduction of $8 billion principal amount of debt. Because we filed for Chapter 11 bankruptcy on March 27, 2009, we no longer accrued interest on debt subject to compromise effective March 27, 2009, except on CCH II debt, as we intended to pay the interest under the Plan. The amount of contractual interest expense not recorded for the year ended December 31, 2009 was approximately $558 million.

Gain due to Plan effects. Gain due to Plan effects represents the net gains recorded as a result of implementing the Plan including the impact of eliminating $8 billion in debt. For more information, see Note 23 to the accompanying condensed consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Gain due to fresh start accounting adjustments. Upon our emergence from bankruptcy, the Company applied fresh start accounting. Gain due to fresh start accounting adjustments represents the net gains recognized as a result of adjusting all assets and liabilities to fair value. For more information, see Note 23 to the accompanying condensed consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Reorganizations items, net. Reorganization items, net of $3 million, $6 million and $647 million for the years ended December 31, 2011, 2010 and 2009, respectively, represent items of income, expense, gain or loss that we realized or incurred related to our reorganization under Chapter 11 of the Bankruptcy Code. For more information, see Note 23 to the accompanying consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Loss on extinguishment of debt. Loss on extinguishment of debt consists of the following for the years ended December 31, 2011, 2010 and 2009 (dollars in millions):

	Successor 2011	Successor 2010	Combined 2009
CCO Holdings notes repurchases / exchanges	$ —	$ (17)	$ —
Charter Operating notes repurchases	(17)	(17)	—
CCH II notes repurchases	(6)	—	—
Charter Operating credit amendment / prepayments	(120)	(51)	—
	$ (143)	$ (85)	$ —

The losses on extinguishment of debt primarily represent premiums paid to redeem debt and noncash write−offs of discounts recognized as a part of the application of fresh start accounting upon emergence from bankruptcy in 2009. For more information, see Note 7 to the accompanying consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Other income (expense), net. The changes in other income (expense), net are attributable to the following (dollars in millions):

	2011 compared to 2010	2010 compared to 2009
Increases (decreases) in investment income	$ —	$ (1)
Change in value of derivatives	—	4
Change in value of preferred stock	(2)	5
Other, net	(2)	(1)
	$ (4)	$ 7

For more information, see Note 16 to the accompanying consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Income tax benefit (expense). Income tax expense of $299 million and $295 million was recognized for the years ended December 31, 2011 and 2010, respectively, primarily through increases in deferred tax liabilities related to our investment in Charter Holdco and certain of our indirect subsidiaries, in addition to $9 million and $8 million of current federal and state income tax expense, respectively. Income tax expense for the year ended December 31, 2011 included an $8 million expense for a state tax law change. Income tax expense for the year ended December 31, 2010 included $23 million expense related primarily to changes in estimates on the 2009 tax provision, a $16 million expense related to asset sales occurring in 2010 and a $69 million benefit related to the February 8, 2010 Charter Holdco partnership interest exchange.

Income tax benefit of $343 million for the year ended December 31, 2009 was realized primarily as a result of decreases in certain deferred tax liabilities related to our investment in Charter Holdco and certain of our subsidiaries. These decreases are primarily attributable to the impairment of franchises and fresh start accounting adjustments for financial statement purposes and not for tax purposes. It included $8 million of current federal and state income tax expense.

Net (income) loss – noncontrolling interest. Noncontrolling interest represented the allocation of income to Mr. Allen's previous 5.6% membership interests in CC VIII and the allocation of losses to Mr. Allen's noncontrolling interest in Charter Holdco. Mr. Allen has subsequently transferred his CC VIII interest to Charter on the Effective Date of the Plan. On February 8, 2010, Mr. Allen exercised his remaining right to exchange Charter Holdco units for shares of Charter Class A common stock after which Charter Holdco became 100% owned by Charter. See Notes 10 and 23 to our accompanying consolidated financial statements contained in "Item 8. Financial Statements and Supplementary Data."

Net income (loss). The impact to net income (loss) as a result of impairment charges, loss on extinguishment of debt, reorganization items and gains due to Plan effects and fresh start accounting, net of tax, was to increase net loss by approximately $146 million and $91 million in 2011 and 2010, respectively, and increase net income by approximately $11.0 billion in 2009.

Use of Adjusted EBITDA and Free Cash Flow

We use certain measures that are not defined by GAAP to evaluate various aspects of our business. Adjusted EBITDA and free cash flow are non−GAAP financial measures and should be considered in addition to, not as a substitute for, net income (loss) and net cash flows from operating activities reported in accordance with GAAP. These terms, as defined by us, may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA and free cash flow are reconciled to consolidated net income (loss) and net cash flows from operating activities, respectively, below.

Adjusted EBITDA is defined as net income (loss) plus net interest expense, income taxes, depreciation and amortization, gains realized due to Plan effects and fresh start accounting adjustments, reorganization items, impairment of franchises, stock compensation expense, loss on extinguishment of debt and other operating expenses, such as special charges and loss on sale or retirement of assets. As such, it eliminates the significant non−cash depreciation and amortization expense that results from the

capital−intensive nature of our businesses as well as other non−cash or special items, and is unaffected by our capital structure or investment activities. Adjusted EBITDA is used by management and Charter's board of directors to evaluate the performance of our business. For this reason, it is a significant component of Charter's annual incentive compensation program. However, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and our cash cost of financing. Management evaluates these costs through other financial measures.

Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

We believe that Adjusted EBITDA and free cash flow provide information useful to investors in assessing our performance and our ability to service our debt, fund operations and make additional investments with internally generated funds. In addition, Adjusted EBITDA generally correlates to the leverage ratio calculation under our credit facilities or outstanding notes to determine compliance with the covenants contained in the facilities and notes (all such documents have been previously filed with the United States Securities and Exchange Commission). For the purpose of calculating compliance with leverage covenants, we use Adjusted EBITDA, as presented, excluding certain expenses paid by our operating subsidiaries to other Charter entities. Our debt covenants refer to these expenses as management fees, which fees were in the amount of $151 million, $144 million and $136 million for the years ended December 31, 2011, 2010 and 2009, respectively.

	Successor 2011	Successor 2010	Combined 2009
Net income (loss)	$ (369)	$ (237)	$ 10,101
Plus: Interest expense, net	963	877	1,088
Income tax (benefit) expense	299	295	(343)
Depreciation and amortization	1,592	1,524	1,316
Impairment of franchises	—	—	2,163
Stock compensation expense	35	26	27
(Gain) loss due to bankruptcy related items	3	6	(11,830)
Loss on extinguishment of debt	143	85	—
Other, net	9	23	(29)
Adjusted EBITDA	$ 2,675	$ 2,599	$ 2,493
Net cash flows from operating activities	$ 1,737	$ 1,911	$ 594
Less: Purchases of property, plant and equipment	(1,311)	(1,209)	(1,134)
Change in accrued expenses related to capital expenditures	57	8	(10)
Free cash flow	$ 483	$ 710	$ (550)

Liquidity and Capital Resources

Introduction

This section contains a discussion of our liquidity and capital resources, including a discussion of our cash position, sources and uses of cash, access to credit facilities and other financing sources, historical financing activities, cash needs, capital expenditures and outstanding debt.

Overview of Our Contractual Obligations and Liquidity

Although we reduced our debt by approximately $8 billion on November 30, 2009 pursuant to the Plan, we continue to have significant amounts of debt. The accreted value of our debt as of December 31, 2011 was $12.9 billion, consisting of $4.1 billion of credit facility debt and $8.8 billion of high−yield notes. Our business requires significant cash to fund principal and interest payments on our debt. As of December 31, 2011, $531 million of our long−term debt matures in 2012, $243 million in 2013, $791 million in 2014, $490 million in 2015, $4.3 billion in 2016 and $6.4 billion thereafter. As of December 31, 2011, we had other

contractual obligations, including interest on our debt, totaling $6.2 billion. We also currently expect to incur capital expenditures of approximately $1.4 billion to $1.5 billion in 2012.

Our projected cash needs and projected sources of liquidity depend upon, among other things, our actual results, and the timing and amount of our expenditures. Free cash flow was $483 million and $710 million for the years ended December 31, 2011 and 2010, respectively, and negative free cash flow was $550 million for the year ended December 31, 2009. We expect to continue to generate free cash flow for 2012. As of December 31, 2011, the amount available under our credit facilities was approximately $1.3 billion, including approximately $500 million of the unused portion of Term Loan A which was available in a single drawing through March 15, 2012 and was subsequently drawn in February 2012. We expect to utilize free cash flow and availability under our credit facilities as well as future refinancing transactions to further extend or reduce the maturities of our principal obligations. The timing and terms of any refinancing transactions will be subject to market conditions. Additionally, we may, from time to time, depending on market conditions and other factors, use cash on hand and the proceeds from securities offerings or other borrowings, to retire our debt through open market purchases, privately negotiated purchases, tender offers, or redemption provisions. We believe we have sufficient liquidity from cash on hand, free cash flow and Charter Operating's revolving credit facility as well as access to the capital markets to fund our projected operating cash needs.

We continue to evaluate the deployment of our anticipated future free cash flow including to reduce our leverage, to invest in our business growth and other strategic opportunities, including mergers and acquisitions as well as stock repurchases and dividends. On August 9, 2011, Charter's board of directors authorized the repurchase of up to $200 million of Charter's Class A common stock and outstanding warrants. As of December 31, 2011, Charter had completed the share repurchase program by acquiring approximately 4 million shares of Charter's Class A common stock for a total of approximately $200 million. In addition, Charter purchased an additional approximately 10 million shares of Charter's Class A common stock for a total of approximately $525 million in privately negotiated transactions. As possible acquisitions, swaps or dispositions arise in our industry, we actively review them against our objectives including, among other considerations, improving the operational efficiency and clustering of our business and achieving appropriate return targets, and we may participate to the extent we believe these possibilities present attractive opportunities. However, there can be no assurance that we will actually complete any acquisition, disposition or system swap or that any such transactions will be material to our operations or results. In 2011, we acquired cable systems for total purchase prices of approximately $105 million, of which $89 million was paid for in cash and $16 million was a non−cash cable system swap.

Free Cash Flow

Free cash flow was $483 million and $710 million for the years ended December 31, 2011 and 2010, respectively, compared to negative free cash flow of $550 million for the year ended December, 31, 2009. The decrease in free cash flow in 2011 compared to 2010 is primarily due to an increase of $164 million in cash paid for interest and $102 million of higher capital expenditures. The increase in interest payments was primarily related to higher interest rates as part of refinancing, net of timing of interest payments. Excluding the change in accrued interest, changes in operating assets and liabilities also provided $42 million less cash during 2011 driven by one−time benefits in the first half of 2010 post emergence from bankruptcy along with timing of payments in 2011. These decreases in free cash flow in 2011 were partially offset by revenues increasing at a faster rate than cash expenses. The increase in free cash flow in 2010 compared to 2009 is primarily due to decreases in cash paid for interest and reorganization items offset by increases in capital investments to enhance our residential and commercial products and service capabilities.

Recent Events

In January 2012, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $750 million aggregate principal amount of 6.625% senior notes due 2022. In January and February 2012, the net proceeds of the notes were used, along with a draw on the $500 million delayed draw portion of the Charter Operating Term Loan A facility, to repurchase $300 million aggregate principal amount of Charter Operating's outstanding 8.00% senior second−lien notes due 2012, $294 million aggregate principal amount of Charter Operating's 10.875% senior second−lien notes due 2014 and $334 million aggregate principal amount of CCH II's 13.50% senior notes due 2016, as well as to repay amounts outstanding under our revolving credit facility.

Long−Term Debt

As of December 31, 2011, the accreted value of our total debt was approximately $12.9 billion, as summarized below (dollars in millions):

	December 31, 2011			
	Principal Amount	Accreted Value (a)	Semi−Annual Interest Payment Dates	Maturity Date (b)
CCH II, LLC:				
13.5% senior notes due 2016	$ 1,480	$ 1,692	2/15 & 8/15	11/30/2016
CCO Holdings, LLC:				
7.25% senior notes due 2017	1,000	1,000	4/30 & 10/30	10/30/2017
7.875% senior notes due 2018	900	900	4/30 & 10/30	4/30/2018
7.00% senior notes due 2019	1,400	1,391	1/15 & 7/15	1/15/2019
8.125% senior notes due 2020	700	700	4/30 & 10/30	4/30/2020
7.375% senior notes due 2020	750	750	6/1 & 12/1	6/1/2020
6.50% senior notes due 2021	1,500	1,500	4/30 & 10/30	4/30/2021
Credit facility due September 6, 2014	350	326		9/6/2014
Charter Communications Operating, LLC:				
8.00% senior second−lien notes due 2012	500	502	4/30 & 10/30	4/30/2012
10.875% senior second−lien notes due 2014	312	331	3/15 & 9/15	9/15/2014
Credit facilities	3,929	3,764		Varies
	12,821	12,856		

(a) The accreted values presented above represent the fair value of the notes as of the Effective Date or the principal amount of the notes less the original issue discount at the time of sale, plus accretion to the balance sheet dates. However, the amount that is currently payable if the debt becomes immediately due is equal to the principal amount of the debt. We have availability under our credit facilities of approximately $1.3 billion as of December 31, 2011, including approximately $500 million of the unused portion of Term Loan A which was available in a single drawing through March 15, 2012 and was subsequently drawn in February 2012.

(b) In general, the obligors have the right to redeem all of the notes set forth in the above table in whole or in part at their option, beginning at various times prior to their stated maturity dates, subject to certain conditions, upon the payment of the outstanding principal amount (plus a specified redemption premium) and all accrued and unpaid interest. For additional information see Note 7 to the accompanying consolidated financial statements contained in “Item 8. Financial Statements and Supplementary Data.”

Contractual Obligations

The following table summarizes our payment obligations as of December 31, 2011 under our long−term debt and certain other contractual obligations and commitments (dollars in millions.)

	Payments by Period				
	Total	Less than 1 year	1−3 years	3−5 years	More than 5 years
Contractual Obligations (a)					
Long−Term Debt Principal Payments (a)	$ 12,821	$ 531	$ 1,034	$ 4,831	$ 6,425
Long−Term Debt Interest Payments (b)	5,526	902	1,734	1,632	1,258
Capital and Operating Lease Obligations (c)	100	33	43	16	8
Programming Minimum Commitments (d)	223	167	56	—	—
Other (e)	386	227	123	36	—
Total	$ 19,056	$ 1,860	$ 2,990	$ 6,515	$ 7,691

(a) The table presents maturities of long−term debt outstanding as of December 31, 2011. Refer to Notes 7 and 21 to our accompanying consolidated financial statements contained in “Item 8. Financial Statements and Supplementary Data” for a description of our long−term debt and other contractual obligations and commitments.

(b) Interest payments on variable debt are estimated using amounts outstanding at December 31, 2011 and the average implied forward London Interbank Offering Rate (“LIBOR”) rates applicable for the quarter during the interest rate reset based on the yield curve in effect at December 31, 2011. Actual interest payments will differ based on actual LIBOR rates and actual amounts outstanding for applicable periods.

(c) We lease certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the years ended December 31, 2011, 2010 and 2009, were $26 million, $26 million and $27 million, respectively.

(d) We pay programming fees under multi−year contracts ranging from three to ten years, typically based on a flat fee per customer, which may be fixed for the term, or may in some cases escalate over the term. Programming costs included in the accompanying statement of operations were approximately $1.9 billion, $1.8 billion and $1.7 billion, for the years ended December 31, 2011, 2010 and 2009, respectively. Certain of our programming agreements are based on a flat fee per month or have guaranteed minimum payments. The table sets forth the aggregate guaranteed minimum commitments under our programming contracts.

(e) “Other” represents other guaranteed minimum commitments, which consist primarily of commitments to our billing services vendors.

The following items are not included in the contractual obligations table because the obligations are not fixed and/or determinable due to various factors discussed below. However, we incur these costs as part of our operations:

- We rent utility poles used in our operations. Generally, pole rentals are cancelable on short notice, but we anticipate that such rentals will recur. Rent expense incurred for pole rental attachments for the years ended December 31, 2011, 2010 and 2009 was $49 million, $50 million and $47 million.
- We pay franchise fees under multi−year franchise agreements based on a percentage of revenues generated from video service per year. We also pay other franchise related costs, such as public education grants, under multi−year agreements. Franchise fees and other franchise−related costs included in the accompanying statement of operations were $174 million, $178 million and $176 million for the years ended December 31, 2011, 2010 and 2009, respectively.
- We also have $64 million in letters of credit, primarily to our various worker’s compensation, property and casualty, and general liability carriers, as collateral for reimbursement of claims.

Limitations on Distributions

Distributions by Charter’s subsidiaries to a parent company for payment of principal on parent company notes are restricted under indentures and credit facilities governing our indebtedness, unless there is no default under the applicable indenture and credit facilities, and unless each applicable subsidiary’s leverage ratio test is met at the time of such distribution. As of December 31, 2011, there was no default under any of these indentures or credit facilities and each subsidiary met its applicable leverage ratio tests based on December 31, 2011 financial results. Such distributions would be restricted, however, if any such subsidiary fails

to meet these tests at the time of the contemplated distribution. In the past, certain subsidiaries have from time to time failed to meet their leverage ratio test. There can be no assurance that they will satisfy these tests at the time of the contemplated distribution. Distributions by Charter Operating for payment of principal on parent company notes are further restricted by the covenants in its credit facilities.

Distributions by CCO Holdings and Charter Operating to a parent company for payment of parent company interest are permitted if there is no default under the aforementioned indentures and CCO Holdings and Charter Operating credit facilities.

In addition to the limitation on distributions under the various indentures discussed above, distributions by our subsidiaries may be limited by applicable law, including the Delaware Limited Liability Company Act, under which our subsidiaries may only make distributions if they have "surplus" as defined in the act. See "Part I. Item 1A. Risk Factors —Restrictions in our subsidiaries' debt instruments and under applicable law limit their ability to provide funds to us or our subsidiaries that are debt issuers."

Historical Operating, Investing, and Financing Activities

Cash and Cash Equivalents. We held $29 million and $32 million in cash and cash equivalents, including $27 million and $28 million of restricted cash, as of December 31, 2011 and 2010, respectively.

Operating Activities. Net cash provided by operating activities decreased $174 million from $1.9 billion for the year ended December 31, 2010 to $1.7 billion for the year ended December 31, 2011, primarily as a result of an increase of $164 million in cash paid for interest. The increase in interest payments was primarily related to higher interest rates as part of refinancing, net of timing of interest payments. Excluding the change in accrued interest and in liabilities related to capital expenditures, changes in operating assets and liabilities provided $91 million less cash during 2011 driven by one−time benefits in the first half of 2010 post emergence from bankruptcy along with timing of payments in 2011. These decreases in cash provided by operating activities were offset by revenues increasing at a faster rate than cash expenses.

Net cash provided by operating activities increased $1.3 billion from $594 million for the year ended December 31, 2009 to $1.9 billion for the year ended December 31, 2010, primarily as the result of a decrease of $495 million in cash paid for a swap termination liability, $365 million in cash paid for interest, $182 million in cash paid for reorganization items other than interest, changes in operating assets and liabilities, excluding the change in accrued interest and in liabilities related to capital expenditures, that provided $224 million more cash during the same period, and revenues increasing at a faster rate than cash expenses.

Investing Activities. Net cash used in investing activities for the years ended December 31, 2011, 2010 and 2009, was $1.4 billion, $1.2 billion and $1.3 billion, respectively. The increase in 2011 compared to 2010 is primarily due to an increase of $102 million in purchases of property, plant and equipment as a result of capital investments to enhance our residential and commercial products and services capabilities and $89 million related to our purchase of cable systems. The decrease in 2010 compared to 2009 is primarily due to the purchase of the CC VIII interest in 2009 in connection with the Plan, offset by an increase of $75 million in purchases of property, plant and equipment as a result of capital investments to enhance our residential and commercial products and services capabilities.

Financing Activities. Net cash used in financing activities was $373 million and $1.5 billion for the years ended December 31, 2011 and 2010, respectively, and net cash provided by financing activities was $504 million for the year ended December 31, 2009. The decrease in cash used during the year ended December 31, 2011 as compared to the corresponding period in 2010, was primarily the result of increased borrowings of long−term debt, offset by increased repayments of long−term debt and purchase of treasury stock. The increase in cash used during the year ended December 31, 2010 compared to the corresponding period in 2009 was primarily due to increased repayments of long−term debt and repayment of preferred stock, offset by borrowings of long−term debt.

Capital Expenditures

We have significant ongoing capital expenditure requirements. Capital expenditures were $1.3 billion, $1.2 billion and $1.1 billion for the years ended December 31, 2011, 2010 and 2009, respectively. The increases are a result of investments in our sales and product capabilities, primarily through deployment of SDV and DOCSIS 3.0, extending our network to serve new commercial customers and incremental capital for storm−related damage in 2011. See the table below for more details.

During 2012, we currently expect capital expenditures to be between $1.4 billion and $1.5 billion. The higher anticipated expenditures in 2012 relate to accelerated plans for commercial and residential customer growth, investments in our video product to provide for additional HD channels, and further investments in the customer experience, both in systems and the network. The

actual amount of our capital expenditures depends on completion of an ambitious activity plan and will be subject to the growth rates of both our residential and commercial businesses.

Our capital expenditures are funded primarily from free cash flow and borrowings on our credit facility. In addition, our liabilities related to capital expenditures increased by $57 million and $8 million for the years ended December 31, 2011 and 2010, respectively, and decreased by $10 million for the year ended December 31, 2009.

The following table presents our major capital expenditures categories in accordance with NCTA disclosure guidelines for the years ended December 31, 2011, 2010 and 2009. The disclosure is intended to provide more consistency in the reporting of capital expenditures among peer companies in the cable industry. These disclosure guidelines are not required disclosures under GAAP, nor do they impact our accounting for capital expenditures under GAAP (dollars in millions):

	Successor 2011	Successor 2010	Combined 2009
Customer premise equipment (a)	$ 538	$ 543	$ 593
Scalable infrastructure (b)	346	311	216
Line extensions (c)	117	90	70
Upgrade/rebuild (d)	27	21	28
Support capital (e)	283	244	227
Total capital expenditures (f)	$ 1,311	$ 1,209	$ 1,134

(a) Customer premise equipment includes costs incurred at the customer residence to secure new customers, revenue units and additional bandwidth revenues. It also includes customer installation costs and customer premise equipment (e.g., set−top boxes and cable modems).
(b) Scalable infrastructure includes costs not related to customer premise equipment or our network, to secure growth of new customers, revenue units, and additional bandwidth revenues, or provide service enhancements (e.g., headend equipment).
(c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make−ready and design engineering).
(d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
(e) Support capital includes costs associated with the replacement or enhancement of non−network assets due to technological and physical obsolescence (e.g., non−network equipment, land, buildings and vehicles).
(f) Total capital expenditures includes $195 million, $138 million and $83 million of capital expenditures related to commercial services for the years ended December 31, 2011, 2010 and 2009, respectively.

Description of Our Outstanding Debt

Overview

As of December 31, 2011 and 2010, the blended weighted average interest rate on our debt was 7.1% and 6.7%, respectively. The interest rate on approximately 82% and 65% of the total principal amount of our debt was effectively fixed, including the effects of our interest rate hedge agreements as of December 31, 2011 and 2010, respectively. The fair value of our high−yield notes was $9.2 billion and $6.6 billion at December 31, 2011 and 2010, respectively. The fair value of our credit facilities was $4.2 billion and $6.3 billion at December 31, 2011 and 2010, respectively. The fair value of our high−yield notes and credit facilities were based on quoted market prices.

The following description is a summary of certain provisions of our credit facilities and our notes (the “Debt Agreements”). The summary does not restate the terms of the Debt Agreements in their entirety, nor does it describe all terms of the Debt Agreements. The agreements and instruments governing each of the Debt Agreements are complicated and you should consult such agreements and instruments for more detailed information regarding the Debt Agreements.

Credit Facilities – General

CCO Holdings Credit Facility

CCO Holdings' credit agreement (the "CCO Holdings credit facility") consists of a $350 million term loan facility. The facility matures in September 2014. Borrowings under the CCO Holdings credit facility bear interest at a variable interest rate based on either LIBOR or a base rate plus, in either case, an applicable margin. The applicable margin for LIBOR term loans is 2.50% above LIBOR. If an event of default were to occur, CCO Holdings would not be able to elect LIBOR and would have to pay interest at the base rate plus the applicable margin. The CCO Holdings credit facility is secured by the equity interests of Charter Operating, and all proceeds thereof.

Charter Operating Credit Facilities

The Charter Operating credit facilities have an outstanding principal amount of $3.9 billion at December 31, 2011 as follows:

- A term A loan with an aggregate principal amount of $750 million of which approximately $250 million was outstanding as of December 31, 2011, which is repayable in equal quarterly installments and aggregating $13 million in 2013 and 2014 and $25 million in 2015 and 2016, with the remaining balance due at final maturity on May 15, 2017 (the unused portion of the Term Loan A was available in a single drawing through March 15, 2012 which was subsequently drawn in February 2012);
- A term B−1 loan with a remaining principal amount of approximately $78 million, which is repayable in equal quarterly installments and aggregating $0.8 million in each loan year, with the remaining balance due at final maturity on March 6, 2014;
- A term B−2 loan with a remaining principal amount of approximately $10 million, which is repayable in equal quarterly installments and aggregating $0.1 million in each loan year, with the remaining balance due at final maturity on March 6, 2014;
- A term C loan with a remaining principal amount of approximately $3.0 billion, which is repayable in equal quarterly installments and aggregating $30 million in each loan year, with the remaining balance due at final maturity on September 6, 2016;
- A non−revolving loan with a remaining principal amount of approximately $199 million repayable in full on March 6, 2013; and
- A revolving loan with an outstanding balance of $435 million at December 31, 2011 and allowing for borrowings of up to $1.3 billion.

Amounts outstanding under the Charter Operating credit facilities bear interest, at Charter Operating's election, at a base rate or LIBOR, as defined, plus a margin. The applicable LIBOR margin for the term loan A is currently 2.25%, and for the non−revolving loans and the term B−1 loans is currently 1.75% and 2.00%, respectively. The LIBOR term B−2 loan bears interest at LIBOR plus 5.0%, with a LIBOR floor of 3.5%, or at Charter Operating's election, a base rate plus a margin of 4.00%. Charter Operating has currently elected to pay based on the base rate. The applicable margin for the term C loans is currently 3.25% in the case of LIBOR loans. Charter Operating pays interest equal to LIBOR plus 3.0% on amounts borrowed under the revolving credit facility and pays a revolving commitment fee of .5% per annum on the daily average available amount of the revolving commitment, payable quarterly.

The Charter Operating credit facilities also allow us to enter into incremental term loans in the future with an aggregate, together with all other then outstanding first lien indebtedness, including any first lien notes, of no more than $7.5 billion (less any principal payments of term loan indebtedness and first lien notes as a result of any sale of assets), with amortization as set forth in the notices establishing such term loans, but with no amortization greater than 1% per year prior to the final maturity of the existing term loans. Although the Charter Operating credit facilities allow for the incurrence of a certain amount of incremental term loans, no assurance can be given that the Company could obtain additional incremental term loans in the future if Charter Operating sought to do so or what amount of incremental term loans would be allowable at any given time under the terms of the Charter Operating credit facilities.

The obligations of Charter Operating under the Charter Operating credit facilities (the "Obligations") are guaranteed by Charter Operating's immediate parent company, CCO Holdings, and subsidiaries of Charter Operating, except for certain subsidiaries, including immaterial subsidiaries and subsidiaries precluded from guaranteeing by reason of the provisions of other indebtedness to which they are subject (the "non−guarantor subsidiaries"). The Obligations are also secured by (i) a lien on substantially all of the assets of Charter Operating and its subsidiaries (other than assets of the non−guarantor subsidiaries), to the extent such lien can be perfected under the Uniform Commercial Code by the filing of a financing statement, and (ii) a pledge by CCO Holdings of

the equity interests owned by it in Charter Operating or any of Charter Operating's subsidiaries, as well as intercompany obligations owing to it by any of such entities.

Credit Facilities — Restrictive Covenants

CCO Holdings Credit Facility

The CCO Holdings credit facility contains covenants that are substantially similar to the restrictive covenants for the CCO Holdings notes except that the leverage ratio is 5.50 to 1.0 and the change of control definition provides that a change of control occurs if a holder becomes the beneficial owner of 35% of more of Charter's voting stock unless Mr. Allen beneficially owns a greater percentage. See "—Summary of Restricted Covenants of Our Notes." The CCO Holdings credit facility contains provisions requiring mandatory loan prepayments under specific circumstances, including in connection with certain sales of assets, so long as the proceeds have not been reinvested in the business. The CCO Holdings credit facility permits CCO Holdings and its subsidiaries to make distributions to pay interest on the CCH II notes, the CCO Holdings notes, the Charter Operating credit facilities and the Charter Operating second−lien notes, provided that, among other things, no default has occurred and is continuing under the CCO Holdings credit facility.

Charter Operating Credit Facilities

The Charter Operating credit facilities contain representations and warranties, and affirmative and negative covenants customary for financings of this type. The financial covenants measure performance against standards set for leverage to be tested as of the end of each quarter. Additionally, the Charter Operating credit facilities contain provisions requiring mandatory loan prepayments under specific circumstances, including in connection with certain sales of assets, so long as the proceeds have not been reinvested in the business. The Charter Operating credit facilities permit Charter Operating and its subsidiaries to make distributions to pay interest on the currently outstanding subordinated and parent company indebtedness, provided that, among other things, no default has occurred and is continuing under the Charter Operating credit facilities.

The events of default under the Charter Operating credit facilities include, among other things:

- the failure to make payments when due or within the applicable grace period;
- the failure to comply with specified covenants, including, but not limited to, a covenant to deliver audited financial statements for Charter Operating with an unqualified opinion from our independent accountants and without a "going concern" or like qualification or exception;
- the failure to pay or the occurrence of events that cause or permit the acceleration of other indebtedness owing by CCO Holdings, Charter Operating, or Charter Operating's subsidiaries in aggregate principal amounts in excess of $100 million;
- the failure to pay or the occurrence of events that result in the acceleration of other indebtedness owing by certain of CCO Holdings' direct and indirect parent companies in aggregate principal amounts in excess of $200 million;
- the consummation of any transaction resulting in any person or group having power, directly or indirectly, to vote more than 50% of the ordinary voting power for the management of Charter Operating on a fully diluted basis or a change of control shall occur under any indebtedness of CCO Holdings, any first lien notes of Charter Operating or any specified long−term indebtedness of Charter Operating (as defined in the Credit Agreement) in excess of $200 million in aggregate principal amount with the CCO Holdings credit facilities containing a 35% beneficial ownership change of control provision; and
- Charter Operating ceasing to be a wholly−owned direct subsidiary of CCO Holdings, except in certain limited circumstances.

The term loan A lenders agreed to vote in favor of certain future amendments to the Charter Operating credit facilities should Charter Operating decide to pursue such future amendments. The potential amendments were set out in the activation notice for the term loan A and included, among other amendments, (i) amending the restricted payments provisions to allow for restricted payments as long as pro forma leverage is no greater than 3.5 times EBITDA; (ii) amending the definitions to provide for a credit against the calculation of indebtedness of up to $300 million for cash on the balance sheet; (iii) amending the change of control definition to require a ratings downgrade in addition to a holder acquiring 50% of the voting control for the management of Charter Operating; and (iv) allow additional capacity for the repurchase of term loans under the Charter Operating credit facilities. No time period has been established for Charter Operating to pursue these potential amendments, and such amendments may never become effective.

Notes

Provided below is a brief description of the notes issued by CCH II, CCO Holdings and Charter Operating.

CCH II Notes

The CCH II notes are senior debt obligations of CCH II and CCH II Capital Corp. Such notes are guaranteed by Charter. The CCH II notes pay interest in cash semi−annually in arrears at the rate of 13.5% per annum and are unsecured and will mature on November 30, 2016. The CCH II notes are structurally subordinated to all obligations of the subsidiaries of CCH II, including the CCO Holdings notes and credit facility and the Charter operating notes and credit facilities.

CCO Holdings Notes

The CCO Holdings notes are senior debt obligations of CCO Holdings and CCO Holdings Capital Corp. Such notes are guaranteed by Charter. They rank equally with all other current and future unsecured, unsubordinated obligations of CCO Holdings and CCO Holdings Capital Corp. They are structurally subordinated to all obligations of subsidiaries of CCO Holdings, including the Charter Operating notes and Charter Operating credit facilities.

Charter Operating Notes

Subject to specified limitations, CCO Holdings and those subsidiaries of Charter Operating that are guarantors of, or otherwise obligors with respect to, indebtedness under the Charter Operating credit facilities and related obligations are required to guarantee the Charter Operating notes. The note guarantee of each such guarantor is:

- a senior obligation of such guarantor;
- structurally senior to the outstanding CCO Holdings notes and the outstanding CCH II notes;
- senior in right of payment to any future subordinated indebtedness of such guarantor; and
- effectively senior to the relevant subsidiary's unsecured indebtedness, to the extent of the value of the collateral but subject to the prior lien of the credit facilities.

The Charter Operating notes and related note guarantees are secured by a second−priority lien on all of Charter Operating's and its subsidiaries' assets that secure the obligations of Charter Operating or any subsidiary of Charter Operating with respect to the Charter Operating credit facilities and the related obligations. The collateral currently consists of the capital stock of Charter Operating held by CCO Holdings, all of the intercompany obligations owing to CCO Holdings by Charter Operating or any subsidiary of Charter Operating, and substantially all of Charter Operating's and the guarantors' assets (other than the assets of CCO Holdings) in which security interests may be perfected under the Uniform Commercial Code by filing a financing statement (including capital stock and intercompany obligations), including, but not limited to:

- with certain exceptions, all capital stock (limited in the case of capital stock of foreign subsidiaries, if any, to 66% of the capital stock of first tier foreign Subsidiaries) held by Charter Operating or any guarantor; and
- with certain exceptions, all intercompany obligations owing to Charter Operating or any guarantor.

In the event that additional liens are granted by Charter Operating or its subsidiaries to secure obligations under the Charter Operating credit facilities or the related obligations, second priority liens on the same assets will be granted to secure the Charter Operating notes, which liens will be subject to the provisions of an intercreditor agreement (to which none of Charter Operating or its affiliates are parties). Notwithstanding the foregoing sentence, no such second priority liens need be provided if the time such lien would otherwise be granted is not during a guarantee and pledge availability period (when the Leverage Condition is satisfied), but such second priority liens will be required to be provided in accordance with the foregoing sentence on or prior to the fifth business day of the commencement of the next succeeding guarantee and pledge availability period.

The Charter Operating notes are senior debt obligations of Charter Operating and Charter Communications Operating Capital Corp. To the extent of the value of the collateral (but subject to the prior lien of the credit facilities), they rank effectively senior to all of Charter Operating's future unsecured senior indebtedness.

Redemption Provisions of Our Notes

The various notes issued by our subsidiaries included in the table may be redeemed in accordance with the following table or are not redeemable until maturity as indicated:

Note Series	Redemption Dates	Percentage of Principal
CCH II:		
13.5% senior notes due 2016	December 1, 2012 – November 30, 2013	106.750%
	December 1, 2013 – November 30, 2014	103.375%
	December 1, 2014 – November 30, 2015	101.688%
	Thereafter	100.000%
CCO Holdings:		
7.25% senior notes due 2017	October 30, 2013 – October 29, 2014	105.438%
	October 30, 2014 – October 29, 2015	103.625%
	October 30, 2015 – October 29, 2016	101.813%
	Thereafter	100.000%
7.875% senior notes due 2018	April 30, 2013 – April 29, 2014	105.906%
	April 30, 2014 – April 29, 2015	103.938%
	April 30, 2015 – April 29, 2016	101.969%
	Thereafter	100.000%
7.00% senior notes due 2019	January 15, 2014 – January 14, 2015	105.250%
	January 15, 2015 – January 14, 2016	103.500%
	January 15, 2016 – January 14, 2017	101.750%
	Thereafter	100.000%
8.125% senior notes due 2020	April 30, 2015 – April 29, 2016	104.063%
	April 30, 2016 – April 29, 2017	102.708%
	April 30, 2017 – April 29, 2018	101.354%
	Thereafter	100.000%
7.375% senior notes due 2020	December 1, 2015 – November 30, 2016	103.688%
	December 1, 2016 – November 30, 2017	101.844%
	Thereafter	100.000%
6.50% senior notes due 2021	April 30, 2015 – April 29, 2016	104.875%
	April 30, 2016 – April 29, 2017	103.250%
	April 30, 2017 – April 29, 2018	101.625%
	Thereafter	100.000%
Charter Operating:		
8% senior second−lien notes due 2012	Non−callable	*
10.875% senior second−lien notes due 2014	March 15, 2012 – March 14, 2013	105.483%
	March 15, 2013 – March 14, 2014	102.719%
	Thereafter	100.000%

* Charter Operating may, at any time and from time to time, at their option, redeem the outstanding 8% second lien notes due 2012, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date, plus the Make−Whole Premium. The Make−Whole Premium is an amount equal to the excess of (a) the present value of the remaining interest and principal payments due on an 8% senior second−lien notes due 2012 to its final maturity date, computed using a discount rate equal to the Treasury Rate on such date plus 0.50%, over (b) the outstanding principal amount of such note.

In the event that a specified change of control event occurs, each of the respective issuers of the notes must offer to repurchase any then outstanding notes at 101% of their principal amount or accrued value, as applicable, plus accrued and unpaid interest, if any.

On February 14, 2012, Charter Operating provided a notice of redemption to redeem all of the remaining 10.875% senior notes due 2014.

Summary of Restrictive Covenants of Our Notes

The following description is a summary of certain restrictions of our Debt Agreements. The summary does not restate the terms of the Debt Agreements in their entirety, nor does it describe all restrictions of the Debt Agreements. The agreements and instruments governing each of the Debt Agreements are complicated and you should consult such agreements and instruments for more detailed information regarding the Debt Agreements. Pursuant to consent solicitations completed January 25, 2012, the restrictive covenants previously contained in Charter Operating's notes have been removed.

The notes issued by CCH II and CCO Holdings (together, the "note issuers") were issued pursuant to indentures that contain covenants that restrict the ability of the note issuers and their subsidiaries to, among other things:

- incur indebtedness;
- pay dividends or make distributions in respect of capital stock and other restricted payments;
- issue equity;
- make investments;
- create liens;
- sell assets;
- consolidate, merge, or sell all or substantially all assets;
- enter into sale leaseback transactions;
- create restrictions on the ability of restricted subsidiaries to make certain payments; or
- enter into transactions with affiliates.

However, such covenants are subject to a number of important qualifications and exceptions. Below we set forth a brief summary of certain of the restrictive covenants.

Restrictions on Additional Debt

The limitations on incurrence of debt and issuance of preferred stock contained in various indentures permit each of the respective notes issuers and its restricted subsidiaries to incur additional debt or issue preferred stock, so long as, after giving pro forma effect to the incurrence, the leverage ratio would be below a specified level for each of the note issuers. The leverage ratios under our notes for CCH II and CCO Holdings are as follows:

Issuer	Leverage Ratio
CCH II	5.75 to 1
CCO Holdings	6.0 to 1

In addition, regardless of whether the leverage ratio could be met, so long as no default exists or would result from the incurrence or issuance, each issuer and their restricted subsidiaries are permitted to issue among other permitted indebtedness:

- up to an amount of debt under credit facilities not otherwise allocated as indicated below:
  - CCH II: $1 billion
  - CCO Holdings: $1.5 billion
- up to $75 million of debt incurred to finance the purchase or capital lease of new assets;
- up to $300 million of additional debt for any purpose (in the case of CCO Holdings notes, the limit is the greater of $300 million and 5% of consolidated net tangible assets); and
- other items of indebtedness for specific purposes such as intercompany debt, refinancing of existing debt, and interest rate swaps to provide protection against fluctuation in interest rates.

Indebtedness under a single facility or agreement may be incurred in part under one of the categories listed above and in part under another, and generally may also later be reclassified into another category including as debt incurred under the leverage ratio. Accordingly, indebtedness under our credit facilities is incurred under a combination of the categories of permitted indebtedness listed above. The restricted subsidiaries of note issuers are generally not permitted to issue subordinated debt securities.

Restrictions on Distributions

Generally, under the various indentures each of the note issuers and their respective restricted subsidiaries are permitted to pay dividends on or repurchase equity interests, or make other specified restricted payments, only if the applicable issuer can incur $1.00 of new debt under the applicable leverage ratio test after giving effect to the transaction and if no default exists or would exist as a consequence of such incurrence. If those conditions are met, restricted payments may be made in a total amount of up to the following amounts for the applicable issuer as indicated below:

- CCH II: the sum of 100% of CCH II's Consolidated EBITDA, as defined, minus 1.3 times its Consolidated Interest Expense, as defined, cumulatively from October 1, 2009 plus 100% of new cash and appraised non−cash equity proceeds received by CCH II and not allocated to certain investments, cumulatively from November 30, 2009;
- CCO Holdings: the sum of 100% of CCO Holdings' Consolidated EBITDA, as defined, minus 1.3 times its Consolidated Interest Expense, as defined, cumulatively from April 1, 2010, plus 100% of new cash and appraised non−cash equity proceeds received by CCO Holdings and not allocated to certain investments, cumulatively from the issue date, plus $2 billion.

In addition, each of the note issuers may make distributions or restricted payments, so long as no default exists or would be caused by transactions among other distributions or restricted payments:

- to repurchase management equity interests in amounts not to exceed $10 million per fiscal year;
- regardless of the existence of any default, to pay pass−through tax liabilities in respect of ownership of equity interests in the applicable issuer or its restricted subsidiaries; or
- to make other specified restricted payments including merger fees up to 1.25% of the transaction value, repurchases using concurrent new issuances, and certain dividends on existing subsidiary preferred equity interests.

CCO Holdings may make distributions or restricted payments even if the applicable leverage test referred to above is not met to enable any parent to pay interest on, or to purchase, redeem, repay or prepay certain of their indebtedness.

Restrictions on Investments

Each of the note issuers and their respective restricted subsidiaries may not make investments except (i) permitted investments or (ii) if, after giving effect to the transaction, their leverage would be above the applicable leverage ratio.

Permitted investments include, among others:

- investments in and generally among restricted subsidiaries or by restricted subsidiaries in the applicable issuer;
- For CCH II:
  - investments aggregating up to $650 million at any time outstanding;
  - investments aggregating up to 100% of new cash equity proceeds received by CCH II since November 30, 2009 to the extent the proceeds have not been allocated to the restricted payments covenant;
- For CCO Holdings:
  - investments aggregating up to $750 million at any time outstanding.
  - investments aggregating up to 100% of new cash equity proceeds received by CCO Holdings since the issue date to the extent the proceeds have not been allocated to the restricted payments covenant.

Restrictions on Liens

The restrictions on liens for each of the note issuers only applies to liens on assets of the issuers themselves and does not restrict liens on assets of subsidiaries. Permitted liens include liens securing indebtedness and other obligations under credit facilities, liens securing the purchase price of financed new assets, liens securing indebtedness of up to $50 million (in the case of CCO Holdings notes, the greater of $50 million and 1.0% of consolidated net tangible assets) and other specified liens.

Restrictions on the Sale of Assets; Mergers

The note issuers are generally not permitted to sell all or substantially all of their assets or merge with or into other companies unless their leverage ratio after any such transaction would be no greater than their leverage ratio immediately prior to the transaction, or unless after giving effect to the transaction, leverage would be below the applicable leverage ratio for the applicable issuer, no default exists, and the surviving entity is a U.S. entity that assumes the applicable notes.

The note issuers and their restricted subsidiaries may generally not otherwise sell assets or, in the case of restricted subsidiaries, issue equity interests, in excess of $100 million unless they receive consideration at least equal to the fair market value of the assets or equity interests, consisting of at least 75% in cash, assumption of liabilities, securities converted into cash within 60 days, or productive assets. The note issuers and their restricted subsidiaries are then required within 365 days after any asset sale either to use or commit to use the net cash proceeds over a specified threshold to acquire assets used or useful in their businesses or use the net cash proceeds to repay specified debt, or to offer to repurchase the issuer's notes with any remaining proceeds.

Restrictions on Sale and Leaseback Transactions

The note issuers and their restricted subsidiaries may generally not engage in sale and leaseback transactions unless, at the time of the transaction, the applicable issuer could have incurred secured indebtedness under its leverage ratio test in an amount equal to the present value of the net rental payments to be made under the lease, and the sale of the assets and application of proceeds is permitted by the covenant restricting asset sales.

Prohibitions on Restricting Dividends

The note issuers' restricted subsidiaries may generally not enter into arrangements involving restrictions on their ability to make dividends or distributions or transfer assets to the applicable note issuer unless those restrictions with respect to financing arrangements are on terms that are no more restrictive than those governing the credit facilities existing when they entered into the applicable indentures or are not materially more restrictive than customary terms in comparable financings and will not materially impair the applicable note issuers' ability to make payments on the notes.

Affiliate Transactions

The indentures also restrict the ability of the note issuers and their restricted subsidiaries to enter into certain transactions with affiliates involving consideration in excess of $15 million ($25 million in the case of CCO Holdings notes) without a determination by the board of directors of the applicable note issuer that the transaction complies with this covenant, or transactions with affiliates involving over $50 million ($100 million in the case of CCO Holdings notes) without receiving an opinion as to the fairness to the holders of such transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

Cross Acceleration

The indentures of our subsidiaries include various events of default, including cross acceleration provisions. Under these provisions, a failure by any of the issuers or any of their restricted subsidiaries to pay at the final maturity thereof the principal amount of other indebtedness having a principal amount of $100 million or more (or any other default under any such indebtedness resulting in its acceleration) would result in an event of default under the indenture governing the applicable notes. As a result, an event of default related to the failure to repay principal at maturity or the acceleration of the indebtedness under the CCH II notes, CCO Holdings notes, CCO Holdings credit facility, Charter Operating notes or the Charter Operating credit facilities could cause cross−defaults under our subsidiaries' indentures.

Recently Issued Accounting Standards

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011−04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRSs) ("ASU 2011−04"). ASU 2011−04 provides guidance about how fair value should be determined when it is already required or permitted. Most of the changes clarify existing guidance or change words to align U.S. GAAP with IFRS. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. We do not expect the adoption of ASU 2011−04 to have a material impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011−05, Presentation of Comprehensive Income ("ASU 2011−05"). ASU 2011−05 provides guidance on presenting comprehensive income with the intention of increasing its prominence in financial statements by eliminating the option to report other comprehensive income and its components in the statement of changes in stockholder's equity. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. We do not expect the adoption of ASU 2011−05 to have a material impact on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to various market risks, including fluctuations in interest rates. We have used interest rate swap agreements to manage our interest costs and reduce our exposure to increases in floating interest rates. We manage our exposure to fluctuations in interest rates by maintaining a mix of fixed and variable rate debt. Using interest rate swap agreements, we agree to exchange, at specified intervals through 2015, the difference between fixed and variable interest amounts calculated by reference to agreed−upon notional principal amounts.

As of December 31, 2011 and 2010, the accreted value of our debt was approximately $12.9 billion and $12.3 billion, respectively. As of December 31, 2011 and 2010, the weighted average interest rate on the credit facility debt, including the effects of our interest rate swap agreements, was approximately 4.3% and 3.8%, respectively, and the weighted average interest rate on the high−yield notes was approximately 8.5% and 9.7%, respectively, resulting in a blended weighted average interest rate of 7.1% and 6.7%, respectively. The interest rate on approximately 82% and 65% of the total principal amount of our debt was effectively fixed, including the effects of our interest rate swap agreements, as of December 31, 2011 and 2010, respectively.

We do not hold or issue derivative instruments for speculative trading purposes. We have interest rate derivative instruments that have been designated as cash flow hedging instruments. Such instruments effectively convert variable interest payments on certain debt instruments into fixed payments. For qualifying hedges, realized derivative gains and losses offset related results on hedged items in the consolidated statements of operations. We formally document, designate and assess the effectiveness of transactions that receive hedge accounting. For each of the years ended December 31, 2011, 2010 and 2009, there was no cash flow hedge ineffectiveness on interest rate swap agreements.

Changes in the fair value of interest rate agreements that are designated as hedging instruments of the variability of cash flows associated with floating−rate debt obligations, and that meet effectiveness criteria are reported in other comprehensive income (loss). For the years ended December 31, 2011, 2010 and 2009, losses of $8 million, $57 million and $9 million, respectively, were recorded in other comprehensive income (loss). The amounts are subsequently reclassified as an increase or decrease to interest expense in the same periods in which the related interest on the floating−rate debt obligations affects earnings (losses).

Certain interest rate derivative instruments were not designated as hedges as they did not meet effectiveness criteria. However, management believes such instruments were closely correlated with the respective debt, thus managing associated risk. Interest rate derivative instruments not designated as hedges were marked to fair value, with the impact recorded as other income (expenses), net in our consolidated statements of operations. For the year ended December 31, 2009, other income (expense), net included losses of $4 million resulting from interest rate derivative instruments not designated as hedges. We did not hold any interest rate derivatives not designated as hedges during 2011 and 2010.

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, 2011 (dollars in millions):

	2012	2013	2014	2015	2016	Thereafter	Total	Fair Value at December 31, 2011
Debt:								
Fixed Rate	$ 500	$ —	$ 312	$ —	$ 1,480	$ 6,250	$ 8,542	$ 9,190
Average Interest Rate	8.00%	—	10.88%	—	13.50%	7.22%	8.49%	
Variable Rate	$ 31	$ 243	$ 479	$ 490	$ 2,861	$ 175	$ 4,279	$ 4,193
Average Interest Rate	3.91%	2.74%	3.65%	4.63%	5.39%	4.86%	4.93%	
Interest Rate Instruments:								
Variable to Fixed Rate	$ —	$ 900	$ 800	$ 300	$ —	$ —	$ 2,000	$ 65
Average Pay Rate	—	5.21%	5.65%	5.99%	—	—	5.50%	
Average Receive Rate	—	4.01%	4.23%	4.72%	—	—	4.20%	

At December 31, 2011, we had $2.0 billion in notional amounts of interest rate swaps outstanding. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of our exposure to credit loss. The amounts exchanged are determined by reference to the notional amount and the other terms of the contracts. The estimated fair value is determined using a present value calculation based on an implied forward LIBOR curve (adjusted for Charter Operating's or counterparties' credit risk). Interest rates on variable debt are estimated using the average implied forward LIBOR for the year of maturity based on the yield curve in effect at December 31, 2011 including applicable bank spread.

Item 8. Financial Statements and Supplementary Data.

Our consolidated financial statements, the related notes thereto, and the reports of independent accountants are included in this annual report beginning on page F−1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures with respect to the information generated for use in this annual report. The evaluation was based in part upon reports and certifications provided by a number of executives. Based upon, and as of the date of that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective to provide reasonable assurances that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost−benefit relationship of possible

controls and procedures. Based upon the above evaluation, we believe that our controls provide such reasonable assurances.

There was no change in our internal control over financial reporting during the fourth quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a−15(f) under the Exchange Act) for the Company. Our internal control system was designed to provide reasonable assurance to Charter's management and board of directors regarding the preparation and fair presentation of published financial statements.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework. Based on management's assessment utilizing these criteria we believe that, as of December 31, 2011, our internal control over financial reporting was effective.

Our independent auditors, KPMG LLP, have audited our internal control over financial reporting as stated in their report on page F−2.

Item 9B. Other Information.

Charter reports that Robert Cohn informed Charter's Board of Directors on February 22, 2012, that he will not stand for re−election as a member of Charter's Board of Directors at its upcoming annual stockholders' meeting on May 1, 2012. Subsequent to Mr. Cohn's notification, Charter's Board of Directors, upon a recommendation from the Nominating and Corporate Governance Committee, named Jeffrey Marcus as a nominee for the Board of Directors to fill the position currently held by Mr. Cohn.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 will be included in Charter's 2012 Proxy Statement (the "Proxy Statement") under the headings "Election of Class A Directors," "Section 16(a) Beneficial Ownership Reporting Requirements," and "Code of Ethics," or in amendment to this Annual Report on Form 10−K and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by Item 11 will be included in the Proxy Statement under the headings "Executive Compensation," "Election of Class A Directors – Director Compensation" and "Compensation Discussion and Analysis," or in an amendment to this Annual Report on Form 10−K and is incorporated herein by reference. Information contained in the Proxy Statement or an amendment to this Annual Report on Form 10−K under the caption "Report of Compensation and Benefits Committee" is furnished and not deemed filed with the SEC.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by Item 12 will be included in the Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management" or in amendment to this Annual Report on Form 10−K and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by Item 13 will be included in the Proxy Statement under the heading "Certain Relationships and Related Transactions" and "Election of Class A Directors" or in amendment to this Annual Report on Form 10−K and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by Item 14 will be included in the Proxy Statement under the heading "Accounting Matters" or in amendment to this Annual Report on Form 10−K and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(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 15(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) The index to the exhibits begins on page E−1 of this annual report.

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/ Thomas M. Rutledge
Thomas M. Rutledge
President, Chief Executive Officer and Director

Date: February 27, 2012

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/ Thomas M. Rutledge Thomas M. Rutledge	President, Chief Executive Officer, Director (Principal Executive Officer)	February 27, 2012
/s/ Christopher L. Winfrey Christopher L. Winfrey	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 27, 2012
/s/ Kevin D. Howard Kevin D. Howard	Senior Vice President – Finance, Controller and Chief Accounting Officer (Principal Accounting Officer)	February 27, 2012
/s/ Robert Cohn Robert Cohn	Director	February 22, 2012
/s/ W. Lance Conn W. Lance Conn	Director	February 27, 2012
/s/ Darren Glatt Darren Glatt	Director	February 27, 2012
/s/ Craig A. Jacobson Craig A. Jacobson	Director	February 27, 2012
/s/ Bruce A. Karsh Bruce A. Karsh	Director	February 27, 2012
/s/ Edgar Lee Edgar Lee	Director	February 27, 2012
/s/ John D. Markley, Jr. John D. Markley, Jr.	Director	February 27, 2012
/s/ David C. Merritt David C. Merritt	Director	February 27, 2012
/s/ Stan Parker Stan Parker	Director	February 27, 2012
/s/ Eric L. Zinterhofer Eric L. Zinterhofer	Director	February 27, 2012

Exhibit Index

Exhibits are listed by numbers corresponding to the Exhibit Table of Item 601 in Regulation S−K.

Exhibit	Description
2.1	Debtors' Joint Plan of Reorganization filed pursuant to Chapter 11 of the United States Bankruptcy Code filed on July 15, 2009 with the United States Bankruptcy Court for the Southern District of New York in Case No. 09−11435 (Jointly Administered) (incorporated by reference to Exhibit 10.2 to the quarterly report on Form 10 Q of Charter Communications, Inc. filed on August 6, 2009 (File No. 001−33664).
3.1	Amended and Restated Certificate of Incorporation of Charter Communications, Inc. (originally incorporated July 22, 1999) (incorporated by reference to Exhibit 3.1 to the current report on Form 8−K of Charter Communications, Inc. filed on August 20, 2010 (File No. 001−33664)).
3.2	Amended and Restated By−laws of Charter Communications, Inc. as of November 30, 2009 (incorporated by reference to Exhibit 3.2 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
4.1	Warrant Agreement, dated as of November 30, 2009, by and between Charter Communications, Inc. and Mellon Investor Services LLC (incorporated by reference to Exhibit 4.1 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
4.2	Warrant Agreement, dated as of November 30, 2009, by and between Charter Communications, Inc. and Mellon Investor Services LLC (incorporated by reference to Exhibit 4.2 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
4.3	Warrant Agreement, dated as of November 30, 2009, by and between Charter Communications, Inc. and Mellon Investor Services LLC (incorporated by reference to Exhibit 4.3 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
10.1	Indenture relating to the 13.50% senior notes due 2016, dated as of November 30, 2009, by and among CCH II, LLC, CCH II Capital Corp. and The Bank of New York Mellon Trust Company, NA (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
10.2	Indenture relating to the 7.875% Senior Notes due 2018 and 8.125% Senior Notes due 2020, dated as of April 18, 2010, by and among CCO Holdings, LLC, CCO Holdings Capital Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 10.6 to the registration statement on Form S−1of Charter Communications, Inc. filed on June 30, 2010 (File No. 333−167877)).
10.3	Indenture relating to the 7.25% senior notes due 2017, dated as of September 27, 2010, by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on September 30, 2010 (File No. 001−33664)).
10.4	Indenture relating to the 7.00% senior notes due 2019, dated as of January 11, 2011, by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on January 14, 2011 (File No. 001−33664)).
10.5	Indenture dated as of May 10, 2011, by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the current report on Form 8−K of Charter Communications, Inc. filed on May 13, 2011 (File No. 001−33664)).
10.6	First Supplemental Indenture dated as of May 10, 2011 by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the current report on Form 8−K of Charter Communications, Inc. filed on May 13, 2011 (File No. 001−33664)).
10.7	Second Supplemental Indenture dated as of December 14, 2011 by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the current report on Form 8−K of Charter Communications, Inc. filed on December 20, 2011 (File No. 001−33664)).

10.8	Third Supplemental Indenture dated as of January 26, 2012 by and among CCO Holdings, LLC, and CCO Holdings Capital Corp., as Issuers, Charter Communications, Inc., as Parent Guarantor, and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the current report on Form 8−K of Charter Communications, Inc. filed on February 1, 2012 (File No. 001−33664))
10.9(a)	Indenture relating to the 8% senior second lien notes due 2012 dated as of April 27, 2004, by and among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp. and Wells Fargo Bank, N.A. as trustee (incorporated by reference to Exhibit 10.32 to Amendment No. 2 to the registration statement on Form S−4 of CCH II, LLC filed on May 5, 2004 (File No. 333−111423)).
10.9(b)*	Supplemental Indenture relating to the 8% senior second lien notes due 2012 dated as of January 26, 2012 by and among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp., and Wilmington Trust Company, as successor trustee.
10.10(a)	Indenture relating to the 10.875% senior second lien notes due 2014 dated as of March 19, 2008, by and among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp. and Wilmington Trust Company, trustee (incorporated by reference to Exhibit 10.1 to the quarterly report filed on Form 10−Q of Charter Communications, Inc. filed on May 12, 2008 (File No. 000−027927)).
10.10(b)*	Supplemental Indenture relating to the 10.875% senior second lien notes due 2014 dated as of January 26, 2012 by and among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp., and Wilmington Trust Company, as trustee.
10.10(c)	Collateral Agreement, dated as of March 19, 2008 by and among Charter Communications Operating, LLC, Charter Communications Operating Capital Corp., CCO Holdings, LLC and certain of its subsidiaries in favor of Wilmington Trust Company, as trustee (incorporated by reference to Exhibit 10.2 to the quarterly report filed on Form 10−Q of Charter Communications, Inc. filed on May 12, 2008 (File No. 000−027927)).
10.11	Registration Rights Agreement, dated as of November 30, 2009, by and among Charter Communications, Inc. and certain investors listed therein (incorporated by reference to Exhibit 10.2 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
10.12	Exchange and Registration Rights Agreement, dated as of November 30, 2009, by and among CCH II, LLC, CCH II Capital Corp and certain investors listed therein (incorporated by reference to Exhibit 10.3 to the current report on Form 8−K of Charter Communications, Inc. filed on December 4, 2009 (File No. 001−33664)).
10.13	Credit Agreement, dated as of March 6, 2007, among CCO Holdings, LLC, the lenders from time to time parties thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 to the current report on Form 8−K of Charter Communications, Inc. filed on March 12, 2007 (File No. 000−27927)).
10.14	Pledge Agreement made by CCO Holdings, LLC in favor of Bank of America, N.A., as Collateral Agent, dated as of March 6, 2007 (incorporated by reference to Exhibit 10.4 to the current report on Form 8−K of Charter Communications, Inc. filed on March 12, 2007 (File No. 000−27927)).
10.15	Amended and Restated Credit Agreement, dated as of March 31, 2010, among Charter Communications Operating, LLC, CCO Holdings, LLC, the lenders from time to time parties thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on April 6, 2010 (File No. 001−33664)).
10.16	Amended and Restated Guarantee and Collateral Agreement made by CCO Holdings, LLC, Charter Communications Operating, LLC and certain of its subsidiaries in favor of Bank of America, N.A., as administrative agent, dated as of March 18, 1999, as amended and restated as of March 31, 2010 (incorporated by reference to Exhibit 10.2 to the current report on Form 8−K of Charter Communications, Inc. filed on April 6, 2010 (File No. 001−33664)).
10.17	Incremental Activation Notice, dated as of December 19, 2011 delivered by Charter Communications Operating, LLC, CCO Holdings LLC, the Subsidiary Guarantors Party thereto and each Term A Lender party thereto to Bank of America, N.A. as administrative agent under the credit agreement, dated as of March 18, 1999 as amended and restated as of March 31, 2010 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8−K of Charter Communications, Inc. filed on December 22, 2011 (File No. 001−33664)).
10.18(a)	Amended and Restated Management Agreement, dated as of June 19, 2003, between Charter Communications Operating, LLC and Charter Communications, Inc. (incorporated by reference to Exhibit 10.4 to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 5, 2003 (File No. 333−83887)).
10.18(b)	First Amendment to the Amended and Restated Management Agreement, dated as of July 20, 2010, between Charter Communications Operating, LLC and Charter Communications, Inc. (incorporated by reference to Exhibit 10.6 to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 4, 2010 (File No. 001−33664)).

10.19(a)	Second Amended and Restated Mutual Services Agreement, dated as of June 19, 2003 between Charter Communications, Inc. and Charter Communications Holding Company, LLC (incorporated by reference to Exhibit 10.5(a) to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 5, 2003 (File No. 000−27927)).
10.19(b)	First Amendment to the Second Amended and Restated Mutual Services Agreement, dated as of July 20, 2010, between Charter Communications, Inc. and Charter Communications Holding Company, LLC (incorporated by reference to Exhibit 10.7 to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 4, 2010 (File No. 001−33664)).
10.20+	Charter Communications, Inc. Executive Bonus Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8−K of Charter Communications, Inc. filed on December 16, 2010 (File No. 001−33664)).
10.21+*	Charter Communications, Inc. Executive Incentive Performance Plan.
10.22+	Charter Communications, Inc. Amended and Restated 2009 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8−K of Charter Communications, Inc. filed on December 21, 2009 (File No. 001−33664)).
10.23+	Charter Communications, Inc.'s Amended and Restated Supplemental Deferred Compensation Plan, dated as of September 1, 2011(incorporated by reference to the current report on Form 8−K filed by Charter Communications, Inc. on September 2, 2011 (File No. 001−33664)).
10.24+	Form of Non−Qualified Time Vesting Stock Option Agreement for Chief Executive Officer dated April 26, 2011 (incorporated by reference to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 2, 2011) (File No. 001−33664)).
10.25+	Form of Non−Qualified Time Vesting Stock Option Agreement dated April 26, 2011(incorporated by reference to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 2, 2011) (File No. 001−33664)).
10.26+	Form of Non−Qualified Price Vesting Stock Option Agreement dated April 26, 2011(incorporated by reference to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 2, 2011) (File No. 001−33664)).
10.27+	Form of Restricted Stock Unit Agreement dated April 26, 2011(incorporated by reference to the quarterly report on Form 10−Q filed by Charter Communications, Inc. on August 2, 2011) (File No. 001−33664)).
10.28+	Employment Agreement between Thomas Rutledge and Charter Communications, Inc., dated as of December 19, 2011 (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on December 19, 2011 (File No. 001−33664)).
10.29(a)+	Amended and Restated Employment Agreement between Michael J. Lovett and Charter Communications, Inc., dated effective as of February 1, 2010 (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on April 13, 2010 (File No. 001−33664)).
10.30(b)+	Transition Agreement, dated as of October 11, 2011, between Charter Communications, Inc. and Michael J. Lovett (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on October 11, 2011 (File No. 001−33664)).
10.31(a)+	Employment Agreement between Christopher L. Winfrey and Charter Communications, Inc., dated as of November 1, 2010 (incorporated by reference to Exhibit 10.3 to the quarterly report on Form 10−Q of Charter Communications, Inc. filed on November 3, 2010 (File No. 001−33664)).
10.31(b)+	Letter Agreement and Amendment to Employment Agreement effective as of December 31, 2011, by and between Charter Communications, Inc. and Christopher Winfrey (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on January 20, 2012 (File No. 001−33664)).
10.32(a)+*	Employment Agreement between Donald Detampel and Charter Communications, Inc., dated as of October 13, 2010.
10.32(b)+*	Letter Agreement between Charter Communications, Inc. and Donald Detampel dated December 13, 2011.
10.33+*	Amended and Restated Employment Agreement between James M. Heneghan and Charter Communications, Inc., dated as of March 1, 2010.
10.34+*	Amended and Restated Employment Agreement between Steven E. Apodaca and Charter Communications, Inc., dated as of March 1, 2010.
10.35+	Charter Communications, Inc. Value Creation Plan adopted on March 12, 2009 (incorporated by reference to Exhibit 10.1 to the quarterly report on Form 10 Q of Charter Communications, Inc. filed on May 7, 2009 (File No. 001‹3664)).
10.36	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the current report on Form 8−K of Charter Communications, Inc. filed on February 12, 2010 (File No. 001−33664)).

12.1*	Computation of Ratio of Earnings to Fixed Charges.
21.1*	Subsidiaries of Charter Communications, Inc.
23.1*	Consent of KPMG LLP.
31.1*	Certificate of Chief Executive Officer pursuant to Rule 13a−14(a)/Rule 15d−14(a) under the Securities Exchange Act of 1934.
31.2*	Certificate of Chief Financial Officer pursuant to Rule 13a−14(a)/Rule 15d−14(a) under the Securities Exchange Act of 1934.
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002 (Chief Executive Officer).
32.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002 (Chief Financial Officer).
101	The following financial information from the Annual Report of Charter Communications, Inc. on Form 10−K for the year ended December 31, 2011, filed with the SEC on February 27, 2012, formatted in eXtensible Business Reporting Language: (i) Consolidated Balance Sheet, (ii) Consolidated Statement of Operations, (iii) Consolidated Statement of Changes in Shareholder Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.

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* Document attached.

\+ Management compensatory plan or arrangement

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Charter Communications, Inc.:

We have audited the accompanying consolidated balance sheets of Charter Communications, Inc. and subsidiaries (the Company) as of December 31, 2011 and 2010 (Successor) and the related consolidated statements of operations, changes in shareholders' equity (deficit), and cash flows for the years ended December 31, 2011 and 2010 (Successor), the one month ended December 31, 2009 (Successor), and the eleven months ended November 30, 2009 (Predecessor). We also have audited the Company's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting (Item 9A). Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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 and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Charter Communications, Inc. and subsidiaries as of December 31, 2011 and 2010 (Successor), and the results of their operations and their cash flows for the years ended December 31, 2011 and 2010 (Successor), the one month ended December 31, 2009 (Successor), and the eleven months ended November 30, 2009 (Predecessor), in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control − Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in notes 1 and 23 to the consolidated financial statements, the Company filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code on March 27, 2009. The Company's plan of reorganization became effective and the Company emerged from bankruptcy protection on November 30, 2009. In connection with its emergence from bankruptcy, the Company adopted fresh−start accounting in conformity with AICPA Statement of Position 90−7, Financial Reporting by Entities in Reorganization Under the Bankruptcy Code (included in FASB ASC Topic 852, Reorganizations), effective as of November 30, 2009. Accordingly, the Company's consolidated financial statements prior to November 30, 2009 are not comparable to its consolidated financial statements for periods after November 30, 2009.

/s/ KPMG

St. Louis, Missouri
February 24, 2012

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions, except share data)

	Successor	
	December 31, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2	$ 4
Restricted cash and cash equivalents	27	28
Accounts receivable, less allowance for doubtful accounts of $16 and $17, respectively	272	247
Prepaid expenses and other current assets	69	77
Total current assets	370	356
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net of accumulated depreciation of $2,364 and $1,190, respectively	6,897	6,819
Franchises	5,288	5,257
Customer relationships, net	1,704	2,000
Goodwill	954	951
Total investment in cable properties, net	14,843	15,027
OTHER NONCURRENT ASSETS	392	354
Total assets	$ 15,605	$ 15,737
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	1,153	1,049
Total current liabilities	1,153	1,049
LONG−TERM DEBT	12,856	12,306
DEFERRED INCOME TAXES	847	568
OTHER LONG−TERM LIABILITIES	340	336
SHAREHOLDERS' EQUITY:		
Class A common stock; $.001 par value; 900 million shares authorized; 100,570,418 and 112,494,166 shares issued, respectively	—	—
Class B common stock; $.001 par value; 25 million shares authorized; 0 and 2,241,299 shares issued and outstanding, respectively	—	—
Preferred stock; $.001 par value; 250 million shares authorized; no non−redeemable shares issued and outstanding	—	—
Additional paid−in capital	1,556	1,776
Accumulated deficit	(1,082)	(235)
Treasury stock at cost; 0 and 176,475 shares, respectively	—	(6)
Accumulated other comprehensive loss	(65)	(57)
Total shareholders' equity	409	1,478
Total liabilities and shareholders' equity	$ 15,605	$ 15,737

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in millions, except per share and share data)

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
REVENUES	$ 7,204	$ 7,059	$ 572	$ 6,183
COSTS AND EXPENSES:				
Operating (excluding depreciation and amortization)	3,138	3,064	246	2,663
Selling, general and administrative	1,426	1,422	116	1,264
Depreciation and amortization	1,592	1,524	122	1,194
Impairment of franchises	—	—	—	2,163
Other operating (income) expenses, net	7	25	4	(38)
	6,163	6,035	488	7,246
Income (loss) from operations	1,041	1,024	84	(1,063)
OTHER INCOME AND EXPENSES:				
Interest expense, net (excluding unrecorded interest expense of $558 for the eleven months ended November 30, 2009)	(963)	(877)	(68)	(1,020)
Gain due to Plan effects	—	—	—	6,818
Gain due to fresh start accounting adjustments	—	—	—	5,659
Reorganization items, net	(3)	(6)	(3)	(644)
Loss on extinguishment of debt	(143)	(85)	—	—
Other income (expense), net	(2)	2	(3)	(2)
	(1,111)	(966)	(74)	10,811
Income (loss) before income taxes	(70)	58	10	9,748
Income tax benefit (expense)	(299)	(295)	(8)	351
Consolidated net income (loss)	(369)	(237)	2	10,099
Less: Net loss – noncontrolling interest	—	—	—	1,265
Net income (loss) – Charter shareholders	$ (369)	$ (237)	$ 2	$ 11,364
EARNINGS (LOSS) PER COMMON SHARE − CHARTER SHAREHOLDERS:				
Basic	$ (3.39)	$ (2.09)	$ 0.02	$ 30.00
Diluted	$ (3.39)	$ (2.09)	$ 0.02	$ 12.61
Weighted average common shares outstanding, basic	108,948,554	113,138,461	112,078,089	378,784,231
Weighted average common shares outstanding, diluted	108,948,554	113,138,461	114,346,861	902,067,116

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(dollars in millions)

	Class A Common Stock	Class B Common Stock	Additional Paid−In Capital	Accumulated Equity (Deficit)	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Charter Shareholders' Equity (Deficit)
PREDECESSOR:							
BALANCE, December 31, 2008, Predecessor	$ —	$ —	$ 5,394	$ (15,597)	$ —	$ (303)	$ (10,506)
Changes in fair value of interest rate agreements	—	—	—	—	—	(5)	(5)
Stock compensation expense, net	—	—	5	—	—	—	5
Net income	—	—	—	11,364	—	—	11,364
Amortization of accumulated other comprehensive loss related to interest rate agreements	—	—	—	—	—	32	32
Cancellation of Predecessor common stock	—	—	(5,399)	—	—	—	(5,399)
Elimination of Predecessor accumulated deficit and accumulated other comprehensive income (loss)	—	—	—	4,233	—	276	4,509
BALANCE, November 30, 2009, Predecessor	—	—	—	—	—	—	—
SUCCESSOR:							
Issuance of new equity	—	—	2,003	—	—	—	2,003
BALANCE, November 30, 2009, Successor	—	—	2,003	—	—	—	2,003
Net income	—	—	—	2	—	—	2
Charter Investment Inc.'s exchange of Charter Holdco interest (see Note 18)	—	—	(90)	—	—	—	(90)
Stock compensation expense, net	—	—	1	—	—	—	1
BALANCE, December 31, 2009, Successor	—	—	1,914	2	—	—	1,916
Net loss	—	—	—	(237)	—	—	(237)
Charter Investment Inc.'s exchange of Charter Holdco interest (see Note 18)	—	—	(166)	—	—	—	(166)
Changes in fair value of interest rate swap agreements	—	—	—	—	—	(57)	(57)
Stock compensation expense, net	—	—	28	—	—	—	28
Purchase of treasury stock	—	—	—	—	(6)	—	(6)
BALANCE, December 31, 2010, Successor	—	—	1,776	(235)	(6)	(57)	1,478
Net loss	—	—	—	(369)	—	—	(369)
Changes in fair value of interest rate swap agreements	—	—	—	—	—	(8)	(8)
Stock compensation expense, net	—	—	41	—	—	—	41
Purchase of treasury stock	—	—	—	—	(733)	—	(733)
Retirement of treasury stock	—	—	(261)	(478)	739	—	—
BALANCE, December 31, 2011, Successor	$ —	$ —	$ 1,556	$ (1,082)	$ —	$ (65)	$ 409

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net income (loss)	$ (369)	$ (237)	$ 2	$ 10,099
Adjustments to reconcile net income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,592	1,524	122	1,194
Impairment of franchises	—	—	—	2,163
Noncash interest expense	34	74	5	42
Gain due to effects of Plan	—	—	—	(6,818)
Gain due to fresh start accounting adjustments	—	—	—	(5,659)
Noncash reorganizations items, net	—	—	—	170
Loss on extinguishment of debt	143	81	—	—
Deferred income taxes	290	287	7	(358)
Other, net	33	34	3	35
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Accounts receivable	(25)	—	26	(52)
Prepaid expenses and other assets	1	22	2	(36)
Accounts payable, accrued expenses and other	38	126	16	(344)
Payment of deferred management fees – related party	—	—	—	(25)
Net cash flows from operating activities	1,737	1,911	183	411
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(1,311)	(1,209)	(108)	(1,026)
Change in accrued expenses related to capital expenditures	57	8	—	(10)
Purchase of cable systems	(89)	—	—	—
Purchase of CC VIII, LLC interest	—	—	—	(150)
Other, net	(24)	31	(3)	(7)
Net cash flows from investing activities	(1,367)	(1,170)	(111)	(1,193)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from Rights Offering	—	—	—	1,614
Borrowings of long−term debt	5,489	3,115	—	—
Repayments of long−term debt	(5,072)	(4,352)	(17)	(1,054)
Repayment of preferred stock	—	(138)	—	—
Payments for debt issuance costs	(62)	(76)	—	(39)
Purchase of treasury stock	(733)	(6)	—	—
Other, net	5	(6)	—	—
Net cash flows from financing activities	(373)	(1,463)	(17)	521
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3)	(722)	55	(261)
CASH AND CASH EQUIVALENTS, beginning of period	32	754	699	960
CASH AND CASH EQUIVALENTS, end of period	$ 29	$ 32	$ 754	$ 699
CASH PAID FOR INTEREST	899	735	4	1,096
NONCASH TRANSACTIONS:				
Liabilities subject to compromise discharged at emergence	—	—	—	7,829

1. Organization and Basis of Presentation

Organization

Charter Communications, Inc. (“Charter”) is a holding company whose principal asset is a 100% common equity interest in Charter Communications Holding Company, LLC (“Charter Holdco”). Charter owns cable systems through its subsidiaries, which are collectively, with Charter, referred to herein as the “Company.”

The Company is a cable operator providing services in the United States. The Company offers to residential and commercial customers traditional cable video programming (basic and digital video), Internet services, and telephone services, as well as advanced video services such as Charter OnDemand", high definition television, and digital video recorder (“DVR”) service. The Company sells its cable video programming, Internet, telephone, and advanced video services primarily on a subscription basis. The Company also sells local advertising on cable networks and on the Internet and provides fiber connectivity to cellular towers.

On November 17, 2009, the Company’s Joint Plan of Reorganization (the “Plan”) was confirmed by order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and became effective on November 30, 2009 (the “Effective Date”), the date on which the Company emerged from protection under Chapter 11 of the Bankruptcy Code. Upon the Company’s emergence from bankruptcy, the Company applied fresh start accounting. This resulted in the Company becoming a new entity on December 1, 2009, with a new capital structure, a new accounting basis in the identifiable assets and liabilities assumed and no retained earnings or accumulated losses. Accordingly, the consolidated financial statements on or after December 1, 2009 (“Successor”) are not comparable to the consolidated financial statements prior to that date. The financial statements for the periods through November 30, 2009 (“Predecessor”) do not include the effect of any changes in our capital structure or changes in the fair value of assets and liabilities as a result of fresh start accounting.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”).

The preparation of financial statements in conformity with GAAP 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. Areas involving significant judgments and estimates include capitalization of labor and overhead costs; depreciation and amortization costs; impairments of property, plant and equipment, intangibles and goodwill; income taxes; contingencies; programming expense and fresh start accounting. Actual results could differ from those estimates.

Certain prior year amounts have been reclassified to conform with the 2011 presentation.

2. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of Charter and its majority owned subsidiaries. The Company consolidates variable interest entities based upon evaluation of the Company’s power, through voting rights or similar rights, to direct the activities of another entity that most significantly impact the entity’s economic performance; its obligation to absorb the expected losses of the entity; and its right to receive the expected residual returns of the entity. All significant intercompany accounts and transactions among consolidated entities have been eliminated.

Cash and 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, which approximates market value. Cash and cash equivalents consist primarily of money market funds and commercial paper. Restricted cash and cash equivalents consist of amounts held in escrow accounts pending final resolution from the Bankruptcy Court (see Note 21 and 23). Restricted cash is included in cash and cash equivalents on the accompanying condensed consolidated statements of cash flows. Approximately $17 million of restricted cash held in an escrow

account established in bankruptcy proceedings was used to pay for professional services for the year ended December 31, 2010 (Successor).

Property, Plant and Equipment

Additions to property, plant and equipment are recorded at cost, including all material, labor and certain indirect costs associated with the construction of cable transmission and distribution facilities. While the Company's capitalization is based on specific activities, once capitalized, costs are tracked by fixed asset category at the cable system level and not on a specific asset basis. For assets that are sold or retired, the estimated historical cost and related accumulated depreciation is removed. Costs associated with initial customer installations and the additions of network equipment necessary to enable advanced video services are capitalized. Costs capitalized as part of initial customer installations include materials, labor, and certain indirect costs. Indirect costs are associated with the activities of the Company's personnel who assist in connecting and activating the new service and consist of compensation and other costs associated with these support functions. Indirect costs primarily include employee benefits and payroll taxes, direct variable costs associated with capitalizable activities, consisting primarily of installation and construction vehicle costs, the cost of dispatch personnel and indirect costs directly attributable to capitalizable activities. The costs of disconnecting service at a customer's dwelling or reconnecting service to a previously installed dwelling are charged to operating expense in the period incurred. Costs for repairs and maintenance are charged to operating expense as incurred, while plant and equipment replacement and betterments, including replacement of cable drops from the pole to the dwelling, are capitalized.

Depreciation is recorded using the straight−line composite method over management's estimate of the useful lives of the related assets as follows:

Cable distribution systems	7−20 years
Customer equipment and installations	4−8 years
Vehicles and equipment	1−6 years
Buildings and leasehold improvements	15−40 years
Furniture, fixtures and equipment	6−10 years

Asset Retirement Obligations

Certain of the Company's franchise agreements and leases contain provisions requiring the Company to restore facilities or remove equipment in the event that the franchise or lease agreement is not renewed. The Company expects to continually renew its franchise agreements and has concluded that all of the related franchise rights are indefinite lived intangible assets. Accordingly, the possibility is remote that the Company would be required to incur significant restoration or removal costs related to these franchise agreements in the foreseeable future. A liability is required to be recognized for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made. The Company has not recorded an estimate for potential franchise related obligations, but would record an estimated liability in the unlikely event a franchise agreement containing such a provision were no longer expected to be renewed. The Company also expects to renew many of its lease agreements related to the continued operation of its cable business in the franchise areas. For the Company's lease agreements, the estimated liabilities related to the removal provisions, where applicable, have been recorded and are not significant to the financial statements.

Franchises

Franchise rights represent the value attributed to agreements or authorizations with local and state authorities that allow access to homes in cable service areas. Management estimates the fair value of franchise rights at the date of acquisition and determines if the franchise has a finite life or an indefinite life. All franchises that qualify for indefinite life treatment are tested for impairment annually or more frequently as warranted by events or changes in circumstances (see Note 5). The Company has concluded that all of its existing franchises qualify for indefinite life treatment.

Customer Relationships

Customer relationships represent the value attributable to the Company's business relationships with its current customers including the right to deploy and market additional services to these customers. Customer relationships are amortized on an accelerated basis over the period the relationships with current customers are expected to generate cash flows (11−15 years).

Goodwill

The Company assesses the recoverability of its goodwill as of November 30 of each year, or more frequently whenever events or changes in circumstances indicate that the asset might be impaired. The Company performs the assessment of its goodwill one level below the operating segment level, which is represented by geographical groupings of cable systems by which such systems are managed.

Other Noncurrent Assets

Other noncurrent assets primarily include trademarks, right−of−entry costs and deferred financing costs. Trademarks have been determined to have an indefinite life and are tested annually for impairment. Right−of−entry costs represent costs incurred related to agreements entered into with landlords, real estate companies or owners to gain access to a building in order to provide cable service. Right−of−entry costs are generally deferred and amortized to amortization expense over the term of the agreement. Costs related to borrowings are deferred and amortized to interest expense over the terms of the related borrowings. All deferred financing costs prior to emergence were eliminated as part of fresh start accounting.

Valuation of Long−Lived Assets

The Company evaluates the recoverability of long−lived assets to be held and used when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Such events or changes in circumstances could include such factors as impairment of the Company’s indefinite life assets, changes in technological advances, fluctuations in the fair value of such assets, adverse changes in relationships with local franchise authorities, adverse changes in market conditions or a deterioration of operating results. If a review indicates that the carrying value of such asset is not recoverable from estimated undiscounted cash flows, the carrying value of such asset is reduced to its estimated fair value. While the Company believes that its estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect its evaluations of asset recoverability. No impairments of long−lived assets to be held and used were recorded in 2011, 2010 and 2009.

Derivative Financial Instruments

Gains or losses related to derivative financial instruments which qualify as hedging activities are recorded in accumulated other comprehensive income (loss). For all other derivative instruments, if any, the related gains or losses are recorded in the statements of operations. The Company uses interest rate swap agreements to manage its interest costs and reduce the Company’s exposure to increases in floating interest rates. The Company manages its exposure to fluctuations in interest rates by maintaining a mix of fixed and variable rate debt. Using interest rate swap agreements, the Company agrees to exchange, at specified intervals through 2015, the difference between fixed and variable interest amounts calculated by reference to agreed−upon notional principal amounts. The Company does not hold or issue any derivative financial instruments for trading purposes.

Revenue Recognition

Revenues from residential and commercial video, Internet and telephone services are recognized when the related services are provided. Advertising sales are recognized at estimated realizable values in the period that the advertisements are broadcast. In some cases, the Company coordinates the advertising sales efforts of other cable operators in a certain market and remits amounts received from customers less an agreed−upon percentage to such cable operator. For those arrangements in which the Company acts as a principal, the Company records the revenues earned from the advertising customer on a gross basis and the amount remitted to the cable operator as an operating expense.

Fees imposed on Charter by various governmental authorities are passed through on a monthly basis to the Company’s customers and are periodically remitted to authorities. Fees of $388 million, $379 million, $30 million and $309 million for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively, are reported in video, telephone and commercial revenues, on a gross basis with a corresponding operating expense because the Company is acting as a principal. Other taxes, such as sales taxes imposed on the Company's customers collected and remitted to state and local authorities are recorded on a net basis because the Company is acting as an agent in such situation.

(dollars in millions, except share or per share data or where indicated)

The Company's revenues by product line are as follows:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Video	$ 3,602	$ 3,689	$ 306	$ 3,380
High−speed Internet	1,706	1,606	127	1,349
Telephone	858	823	65	685
Commercial	583	494	39	407
Advertising sales	292	291	22	227
Other	163	156	13	135
	$ 7,204	$ 7,059	$ 572	$ 6,183

Programming Costs

The Company has various contracts to obtain basic, digital and premium video programming from programming vendors whose compensation is typically based on a flat fee per customer. The cost of the right to exhibit network programming under such arrangements is recorded in operating expenses in the month the programming is available for exhibition. Programming costs are paid each month based on calculations performed by the Company and are subject to periodic audits performed by the programmers. Certain programming contracts contain incentives to be paid by the programmers. The Company receives these payments and recognizes the incentives on a straight−line basis over the life of the programming agreement as a reduction of programming expense. This offset to programming expense was $7 million, $17 million, $2 million and $24 million for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively. As of December 31, 2011 and 2010 (Successor), the deferred amounts of such economic consideration, included in other long−term liabilities, were $6 million and $12 million, respectively. Programming costs included in the accompanying statements of operations were $1.9 billion, $1.8 billion, $146 million and $1.6 billion for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively.

Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred. Such advertising expense was $284 million, $266 million, $19 million and $212 million for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively.

Multiple−Element Transactions

In the normal course of business, the Company enters into multiple−element transactions where it is simultaneously both a customer and a vendor with the same counterparty or in which it purchases multiple products and/or services, or settles outstanding items contemporaneous with the purchase of a product or service from a single counterparty. Transactions, although negotiated contemporaneously, may be documented in one or more contracts. The Company's policy for accounting for each transaction negotiated contemporaneously is to record each element of the transaction based on the respective estimated fair values of the products or services purchased and the products or services sold. In determining the fair value of the respective elements, the Company refers to quoted market prices (where available), historical transactions or comparable cash transactions.

Stock−Based Compensation

Restricted stock, restricted stock units, stock options and performance units and shares are measured at the grant date fair value and amortized to stock compensation expense over the requisite service period. The Company recorded $41 million, $28 million, $1 million and $26 million of stock compensation expense which is included in general and administrative expenses and other operating expense (income), net for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively.

The fair value of options granted is estimated on the date of grant using the Black−Scholes option−pricing model and in 2011, Monte Carlo simulations for options and restricted stock units with market conditions. The grant date weighted average assumptions used during the years ended December 31, 2011 and 2010 (Successor), respectively, were: risk−free interest rate of 2.5%; expected volatility of 38.4% and 47.7%, and expected lives of 6.6 years and 6.3 years. The grant date weighted average assumption for cost of equity of the 2011 awards was 15.5%. Volatility assumptions were based on historical volatility of Charter and a peer group. The Company's volatility assumptions represent management's best estimate and were partially based on historical volatility of a peer group because management does not believe Charter's pre−emergence historical volatility to be representative of its future volatility. Expected lives were calculated based on the simplified−method due to insufficient historical exercise data. The valuations assume no dividends are paid. The Company did not grant stock options in 2009.

Income Taxes

The Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities and expected benefits of utilizing loss carryforwards. The impact on deferred taxes of changes in tax rates and tax law, if any, applied to the years during which temporary differences are expected to be settled, are reflected in the consolidated financial statements in the period of enactment (see Note 18).

Earnings (Loss) per Common Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common shareholders by the weighted−average common shares outstanding during the respective periods. Diluted loss per common share equals basic loss per common share for the years ended December 31, 2011 and 2010 (Successor), as the effect of stock options and other convertible securities are antidilutive because the Company incurred net losses. Diluted earnings per common share for the one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) is based on the average number of shares used for the basic earnings per common share calculation, adjusted for the dilutive effect of stock options and other convertible securities (See Note 19). Predecessor shares were canceled on the Effective Date and shares of Successor were issued. As a result, earnings (loss) per share information for the Successor is not comparable to the Predecessor loss per share.

Segments

The Company's operations are managed on the basis of geographic operating segments. The Company has evaluated the criteria for aggregation of the geographic operating segments and believes it meets each of the respective criteria set forth. The Company delivers similar products and services within each of its geographic operations. Each geographic service area utilizes similar means for delivering the programming of the Company's services; have similarity in the type or class of customer receiving the products and services; distributes the Company's services over a unified network; and operates within a consistent regulatory environment. In addition, each of the geographic operating segments has similar economic characteristics. In light of the Company's similar services, means for delivery, similarity in type of customers, the use of a unified network and other considerations across its geographic operating structure, management has determined that the Company has one reportable segment, broadband services.

(dollars in millions, except share or per share data or where indicated)

3. Allowance for Doubtful Accounts

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

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Balance, beginning of period	$ 17	$ 11	$ —	$ 18
Charged to expense	117	133	10	120
Uncollected balances written off, net of recoveries	(118)	(127)	1	(116)
Fresh start accounting adjustments	—	—	—	(22)
Balance, end of period	$ 16	$ 17	$ 11	$ —

On the Effective Date, the Company applied fresh start accounting and adjusted its accounts receivable to reflect fair value. Therefore, the allowance for doubtful accounts was eliminated at November 30, 2009.

4. Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31, 2011 and 2010:

	Successor	
	December 31,	
	2011	2010
Cable distribution systems	$ 5,916	$ 5,251
Customer equipment and installations	2,592	2,101
Vehicles and equipment	136	115
Buildings and leasehold improvements	318	306
Furniture, fixtures and equipment	299	236
	9,261	8,009
Less: accumulated depreciation	(2,364)	(1,190)
	$ 6,897	$ 6,819

The Company periodically evaluates the estimated useful lives used to depreciate its assets and the estimated amount of assets that will be abandoned or have minimal use in the future. A significant change in assumptions about the extent or timing of future asset retirements, or in the Company's use of new technology and upgrade programs, could materially affect future depreciation expense. On the Effective Date, the Company applied fresh start accounting and as such adjusted its property, plant and equipment to reflect fair value and adjusted remaining useful lives for existing property, plant and equipment and for future purchases.

Depreciation expense for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) was $1.3 billion, $1.2 billion, $94 million and $1.2 billion, respectively. Property, plant and equipment increased $49 million as a result of cable system acquisitions during the year ended December 31, 2011.

5. Franchises, Goodwill and Other Intangible Assets

Franchise rights represent the value attributed to agreements or authorizations with local and state authorities that allow access to homes in cable service areas. Franchises are tested for impairment annually, or more frequently as warranted by events or changes in circumstances. Franchises are aggregated into essentially inseparable units of accounting to conduct the valuations. The units of accounting generally represent geographical clustering of the Company's cable systems into groups by which such systems are managed. Management believes such grouping represents the highest and best use of those assets.

The Company recorded non−cash franchise impairment charges of $2.2 billion for the eleven months ended November 30, 2009 (Predecessor). The impairment charges recorded in 2009 were primarily the result of the impact of the economic downturn along with increased competition. The Company's 2011 and 2010 impairment analyses did not result in any franchise impairment charges.

On the Effective Date, the Company applied fresh start accounting and adjusted its franchise, goodwill, and other intangible assets including trademarks and customer relationships to reflect fair value. The Company's valuations, which are based on the present value of projected after tax cash flows, resulted in a value for property, plant and equipment, franchises, and customer relationships for each unit of accounting. As a result of applying fresh start accounting, the Company recorded goodwill of $951 million which represents the excess of reorganization value over amounts assigned to the other assets.

Franchises, for valuation purposes, are defined as the future economic benefits of the right to solicit and service potential customers (customer marketing rights), and the right to deploy and market new services, such as Internet and telephone, to potential customers (service marketing rights). Fair value is determined based on estimated discrete discounted future cash flows using assumptions consistent with internal forecasts. The franchise after−tax cash flow is calculated as the after−tax cash flow generated by the potential customers obtained (less the anticipated customer churn), and the new services added to those customers in future periods. The sum of the present value of the franchises' after−tax cash flow in years 1 through 10 and the continuing value of the after−tax cash flow beyond year 10 yields the fair value of the franchises.

The Company determined the estimated fair value of each unit of accounting utilizing an income approach model based on the present value of the estimated discrete future cash flows attributable to each of the intangible assets identified for each unit assuming a discount rate. This approach makes use of unobservable factors such as projected revenues, expenses, capital expenditures, and a discount rate applied to the estimated cash flows. The determination of the discount rate was based on a weighted average cost of capital approach, which uses a market participant's cost of equity and after−tax cost of debt and reflects the risks inherent in the cash flows.

The Company estimated discounted future cash flows using reasonable and appropriate assumptions including among others, penetration rates for video, high−speed Internet, and telephone; revenue growth rates; operating margins; and capital expenditures. The assumptions are derived based on the Company's and its peers' historical operating performance adjusted for current and expected competitive and economic factors surrounding the cable industry. The estimates and assumptions made in the Company's valuations are inherently subject to significant uncertainties, many of which are beyond its control, and there is no assurance that these results can be achieved. The primary assumptions for which there is a reasonable possibility of the occurrence of a variation that would significantly affect the measurement value include the assumptions regarding revenue growth, programming expense growth rates, the amount and timing of capital expenditures and the discount rate utilized.

Goodwill is tested for impairment as of November 30 of each year, or more frequently as warranted by events or changes in circumstances. The first step involves a comparison of the estimated fair value of each of our reporting units to its carrying amount. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired and the second step of the goodwill impairment is not necessary. If the carrying amount of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed, and a comparison of the implied fair value of the reporting unit's goodwill is compared to its carrying amount to determine the amount of impairment, if any. Reporting units are consistent with the units of accounting used for franchise impairment testing. Likewise the fair values of the reporting units are determined using a consistent income approach model as that used for franchise impairment testing. The Company's 2011 and 2010 impairment analyses did not result in any goodwill impairment charges.

Customer relationships, for valuation purposes, represent the value of the business relationship with existing customers (less the anticipated customer churn), and are calculated by projecting the discrete future after−tax cash flows from these customers, including the right to deploy and market additional services to these customers. The present value of these after−tax cash flows yields the

(dollars in millions, except share or per share data or where indicated)

fair value of the customer relationships. Customer relationships are amortized on an accelerated method over useful lives of 11−15 years based on the period over which current customers are expected to generate cash flows. Customer relationships are evaluated upon the occurrence of events or changes in circumstances indicating that the carrying amount of an asset may not be recoverable.

The fair value of trademarks is determined using the relief−from−royalty method which applies a fair royalty rate to estimated revenue. Royalty rates are estimated based on a review of market royalty rates in the communications and entertainment industries. As the Company expects to continue to use each trademark indefinitely, trademarks have been assigned an indefinite life and are tested annually for impairment, or more frequently as warranted by events or changes in circumstances. The Company's 2011 and 2010 impairment analyses did not result in any trademark impairment charges.

As of December 31, 2011 and 2010, indefinite lived and finite−lived intangible assets are presented in the following table:

	Successor					
	December 31,					
	2011			2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite lived intangible assets:						
Franchises	$ 5,288	$ —	$ 5,288	$ 5,257	$ —	$ 5,257
Goodwill	954	—	954	951	—	951
Trademarks	158	—	158	158		158
	$ 6,400	$ —	$ 6,400	$ 6,366	$ —	$ 6,366
Finite−lived intangible assets:						
Customer relationships	$ 2,368	$ 664	$ 1,704	$ 2,358	$ 358	$ 2,000
Other intangible assets	79	16	63	53	7	46
	$ 2,447	$ 680	$ 1,767	$ 2,411	$ 365	$ 2,046

Amortization expense related to customer relationships and other intangible assets for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) was $315 million, $337 million, $28 million and $5 million, respectively. Franchises, customer relationships and goodwill increased by $31 million, $10 million and $3 million, respectively, as a result of cable system acquisitions completed during the year ended December 31, 2011 (Successor). During the year ended December 31, 2010 (Successor), franchises was reduced by $15 million and customer relationships was reduced by $5 million, related to cable asset sales, net of acquisitions completed in 2010.

The Company expects amortization expense on its finite−lived intangible assets will be as follows.

2012	$ 292
2013	265
2014	239
2015	213
2016	186
Thereafter	572
	$ 1,767

Actual amortization expense in future periods could differ from these estimates as a result of new intangible asset acquisitions or divestitures, changes in useful lives, impairments and other relevant factors.

(dollars in millions, except share or per share data or where indicated)

6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of December 31, 2011 and 2010:

	Successor	
	December 31,	
	2011	2010
Accounts payable – trade	$ 174	$ 168
Accrued capital expenditures	111	54
Accrued expenses:		
Interest	191	162
Programming costs	303	282
Franchise related fees	50	53
Compensation	123	124
Other	201	206
	$ 1,153	$ 1,049

7. Long−Term Debt

Long−term debt consists of the following as of December 31, 2011 and 2010:

	Successor			
	December 31,			
	2011		2010	
	Principal Amount	Accreted Value	Principal Amount	Accreted Value
CCH II, LLC:				
13.500% senior notes due November 30, 2016	$ 1,480	$ 1,692	$ 1,766	$ 2,057
CCO Holdings, LLC:				
7.25% senior notes due October 30, 2017	1,000	1,000	1,000	1,000
7.875% senior notes due April 30, 2018	900	900	900	900
7.00% senior notes due January 15, 2019	1,400	1,391	—	—
8.125% senior notes due April 30, 2020	700	700	700	700
7.375% senior notes due June 1, 2020	750	750	—	—
6.50% senior notes due April 30, 2021	1,500	1,500	—	—
Credit facility due September 6, 2014	350	326	350	314
Charter Communications Operating, LLC:				
8.00% senior second−lien notes due April 30, 2012	500	502	1,100	1,112
10.875% senior second−lien notes due September 15, 2014	312	331	546	591
Credit facilities	3,929	3,764	5,954	5,632
Long−Term Debt	$ 12,821	$ 12,856	$ 12,316	$ 12,306

As of December 31, 2011 and 2010, the accreted values presented above represent the fair value of the notes as of the Effective Date or the principal amount of the notes less the original issue discount at the time of sale, plus the accretion to the balance sheet date. However, the amount that is currently payable if the debt becomes immediately due is equal to the principal amount of the debt. The Company has availability under its credit facilities of approximately $1.3 billion as of December 31, 2011, including

approximately $500 million of the unused portion of Term Loan A which was available in a single drawing through March 15, 2012, and as such, debt maturing in the next twelve months is classified as long−term. The unused portion of Term Loan A was drawn in February 2012.

CCH II Notes

The CCH II, LLC ("CCH II") notes are senior debt obligations of CCH II and CCH II Capital Corp. They rank equally with all other current and future unsecured, unsubordinated obligations of CCH II and CCH II Capital Corp. The CCH II notes are structurally subordinated to all obligations of the subsidiaries of CCH II, including the CCO Holdings, LLC ("CCO Holdings") notes and credit facility and the Charter Communications Operating, LLC ("Charter Operating") notes and credit facilities. Such notes are guaranteed by Charter.

At any time prior to the third anniversary of their issuance, CCH II will be permitted to redeem up to 35% of the CCH II notes with the proceeds of an equity offering, for cash equal to 113.5% of the then−outstanding principal amount of the CCH II notes being redeemed, plus accrued and unpaid interest. At or any time prior to the third anniversary of their issuance, CCH II will be permitted to redeem the CCH II notes, in whole or in part, at 100% of the principal amount outstanding thereof plus accrued and unpaid interest, if any, to the redemption date, plus the Applicable Premium. The Applicable Premium is an amount equal to the excess of (a) the present value of the remaining interest and principal payments due on a CCH II note to its final maturity date, computed using a discount rate equal to the Treasury Rate on such date plus 0.50%, over (y) the outstanding principal amount of such note. On or after the third anniversary of their issuance, the CCH II notes may be redeemed by CCH II for cash equal to 106.75% of the principal amount of the CCH II notes being redeemed for redemptions made during the fourth year following their issuance, 103.375% for redemptions made during the fifth year following their issuance, 101.6875% for redemptions made during the sixth year following their issuance, and 100.000% for redemptions made thereafter, in each case, together with accrued and unpaid interest.

In the event of specified change of control events, CCH II must offer to purchase the outstanding CCH II notes from the holders at a purchase price equal to 101% of the total principal amount of the notes, plus any accrued and unpaid interest.

CCO Holdings Notes

In April 2010, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $900 million aggregate principal amount of 7.875% Senior Notes due 2018 and $700 million aggregate principal amount of 8.125% Senior Notes due 2020. The net proceeds were used to finance the tender offers and redemptions in which $800 million principal amount of CCO Holdings' outstanding 8.75% Senior Notes due 2013 and $770 million principal amount of Charter Operating’s outstanding 8.375% Senior Second Lien Notes due 2014 were repurchased. The transactions resulted in a loss on extinguishment of debt of approximately $34 million for the year ended December 31, 2010 (Successor).

In September 2010, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $1.0 billion aggregate principal amount of 7.25% Senior Notes due 2017. The proceeds were used in October to repay amounts outstanding under the Charter Operating credit facilities. The transaction resulted in a loss on extinguishment of debt of approximately $34 million for the year ended December 31, 2010 (Successor).

In January 2011, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $1.4 billion aggregate principal amount of 7.00% senior notes due 2019. The net proceeds of the issuances were contributed by CCO Holdings to Charter Operating as a capital contribution and were used to repay indebtedness under the Charter Operating credit facilities. The Company recorded a loss on extinguishment of debt of approximately $67 million for the year ended December 31, 2011 (Successor) related to these transactions.

In May 2011, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $1.5 billion aggregate principal amount of 6.50% senior notes due 2021. The net proceeds of the issuances were contributed by CCO Holdings to Charter Operating as a capital contribution and intercompany loan and were used to repay indebtedness under the Charter Operating credit facilities. The Company recorded a loss on extinguishment of debt of approximately $53 million for the year ended December 31, 2011 (Successor) related to these transactions.

In December 2011, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $750 million aggregate principal amount of 7.375% senior notes due 2020 ("CCO Holdings 2020 Notes"). The net proceeds of the issuances

were used, along with borrowings under the Charter Operating credit facilities, to finance the tender offers in which $407 million aggregate principal amount of Charter Operating's outstanding 8.00% senior second−lien notes due 2012, $234 million aggregate principal amount of Charter Operating's 10.875% senior second−lien notes due 2014 and $286 million aggregate principal amount of CCH II's 13.50% senior notes due 2016 were repurchased. These transactions resulted in a loss on extinguishment of debt for the year ended December 31, 2011 (Successor) of approximately $19 million.

In January 2012, CCO Holdings and CCO Holdings Capital Corp. closed on transactions in which they issued $750 million aggregate principal amount of 6.625% senior notes due 2022. The notes were issued at a price of 99.5% of the aggregate principal amount. The net proceeds of the notes were used, along with a draw on the $500 million delayed draw portion of the Charter Operating Term Loan A facility, to repurchase $300 million aggregate principal amount of Charter Operating's outstanding 8.00% senior second−lien notes due 2012, $294 million aggregate principal amount of Charter Operating's 10.875% senior second−lien notes due 2014 and $334 million aggregate principal amount of CCH II's 13.50% senior notes due 2016, as well as to repay amounts outstanding under the Company's revolving credit facility. The tender offers closed in January and February 2012 and the Company expects to record a loss on extinguishment of debt of approximately $15 million on this transaction in the first quarter of 2012.

The CCO Holdings notes are guaranteed by Charter. They are senior debt obligations of CCO Holdings and CCO Holdings Capital Corp. and rank equally with all other current and future unsecured, unsubordinated obligations of CCO Holdings and CCO Holdings Capital Corp. The CCO Holdings notes are structurally subordinated to all obligations of subsidiaries of CCO Holdings, including the Charter Operating notes and Charter Operating credit facilities.

CCO Holdings may redeem some or all of the CCO Holdings notes at any time at a premium. The optional redemption price declines to 100% of the respective series' principal amount, plus accrued and unpaid interest, if any, on or after varying dates in 2015 through 2018.

In addition, at any time prior to varying dates in 2013 through 2015, CCO Holdings may redeem up to 35% of the aggregate principal amount of the notes at a redemption price at a premium plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more equity offerings (as defined in the indenture); provided that certain conditions are met.

In the event of specified change of control events, CCO Holdings must offer to purchase the outstanding CCO Holdings notes from the holders at a purchase price equal to 101% of the total principal amount of the notes, plus any accrued and unpaid interest.

Charter Operating Notes

In August 2011, Charter Operating repurchased, in private transactions, a total of $193 million principal amount of Charter Operating 8.00% senior second−lien notes due 2012 for approximately $199 million cash. The transactions resulted in a loss on extinguishment of debt of approximately $4 million for the year ended December 31, 2011 (Successor).

In February 2012, Charter Operating provided a notice of redemption to redeem all of the remaining 10.875% senior notes due 2014.

The Charter Operating notes are senior debt obligations of Charter Operating and Charter Communications Operating Capital Corp. To the extent of the value of the collateral (but subject to the prior lien of the credit facilities), they rank effectively senior to all of Charter Operating's future unsecured senior indebtedness. The collateral currently consists of the capital stock of Charter Operating held by CCO Holdings, all of the intercompany obligations owing to CCO Holdings by Charter Operating or any subsidiary of Charter Operating, and substantially all of Charter Operating's and the guarantors' assets (other than the assets of CCO Holdings). CCO Holdings and those subsidiaries of Charter Operating that are guarantors of, or otherwise obligors with respect to, indebtedness under the Charter Operating credit facilities and related obligations, guarantee the Charter Operating notes.

Charter Operating may, at any time and from time to time, at their option, redeem the outstanding 8.00% second−lien notes due 2012, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date, plus the Make−Whole Premium. The Make−Whole Premium is an amount equal to the excess of (a) the present value of the remaining interest and principal payments due on the 8% senior second−lien note due 2012 to its final maturity date, computed using a discount rate equal to the Treasury Rate on such date plus 0.50% , over (b) the outstanding principal amount of such note.

High−Yield Restrictive Covenants; Limitation on Indebtedness.

The indentures governing the CCH II and CCO Holdings notes contain certain covenants that restrict the ability of CCH II, CCH II Capital Corp., CCO Holdings, CCO Holdings Capital Corp. and all of their restricted subsidiaries to:

- incur additional debt;
- pay dividends on equity or repurchase equity;
- make investments;
- sell all or substantially all of their assets or merge with or into other companies;
- sell assets;
- enter into sale−leasebacks;
- in the case of restricted subsidiaries, create or permit to exist dividend or payment restrictions with respect to the bond issuers, guarantee their parent companies debt, or issue specified equity interests;
- engage in certain transactions with affiliates; and
- grant liens.

Pursuant to consent solicitations completed January 25, 2012, the restrictive covenants previously contained in Charter Operating's notes have been removed.

CCO Holdings Credit Facility

CCO Holdings' credit agreement consists of a $350 million term loan facility (the “CCO Holdings credit facility”). The facility matures in September 2014. Borrowings under the CCO Holdings credit facility bear interest at a variable interest rate based on either LIBOR (0.30% as of December 31, 2011) or a base rate plus, in either case, an applicable margin. The applicable margin for LIBOR term loans is 2.50% above LIBOR. If an event of default were to occur, CCO Holdings would not be able to elect LIBOR and would have to pay interest at the base rate plus the applicable margin. The CCO Holdings credit facility is secured by the equity interests of Charter Operating, and all proceeds thereof.

Charter Operating Credit Facilities

In March 2010, Charter Operating entered into an amended and restated credit agreement. The refinancing resulted in a loss on extinguishment of debt of approximately $1 million for the year ended December 31, 2010 (Successor).

In 2010, the Company prepaid $388 million principal amount of term B−1 and B−2 loans under the Charter Operating credit facilities resulting in a loss on extinguishment of debt of approximately $16 million for the year ended December 31, 2010 (Successor).

In December 2011, the Company entered into a senior secured term loan A facility pursuant to the terms of the Charter Operating credit agreement providing for $750 million of term loans with a final maturity date of May 15, 2017 and no LIBOR floor. The term loan A facility will have a delayed draw component: $250 million was funded on closing of the term loan A and the remaining $500 million will be funded no later than March 15, 2012. The proceeds were used along with proceeds of the CCO Holdings 2020 Notes to finance the repurchase of certain Charter Operating's 8.00% and 10.875% senior second−lien notes and certain of CCH II's 13.50% senior notes discussed above.

The Charter Operating credit facilities have an outstanding principal amount of $3.9 billion at December 31, 2011 as follows:

- A term A loan with an aggregate principal amount of $750 million, of which approximately $250 million was outstanding as of December 31, 2011, which is repayable in equal quarterly installments and aggregating $13 million in 2013 and 2014 and $25 million in 2015 and 2016, with the remaining balance due at final maturity on May 15, 2017 (the unused portion of the Term Loan A was available in a single drawing through March 15, 2012 and was drawn in February 2012);
- A term B−1 loan with a remaining principal amount of approximately $78 million, which is repayable in equal quarterly installments and aggregating $0.8 million in each loan year, with the remaining balance due at final maturity on March 6, 2014;
- A term B−2 loan with a remaining principal amount of approximately $10 million, which is repayable in equal quarterly installments and aggregating $0.1 million in each loan year, with the remaining balance due at final maturity on March 6, 2014;

- A term C loan with a remaining principal amount of approximately $3.0 billion, which is repayable in equal quarterly installments and aggregating $30 million in each loan year, with the remaining balance due at final maturity on September 6, 2016;
- A non−revolving loan with a remaining principal amount of approximately $199 million repayable in full on March 6, 2013; and
- A revolving loan with an outstanding balance of $435 million at December 31, 2011 and allowing for borrowings of up to $1.3 billion.

Amounts outstanding under the Charter Operating credit facilities bear interest, at Charter Operating's election, at a base rate or LIBOR (0.30% as of December 31, 2011 (0.58% for term C) and 0.27% as of December 31, 2010 (0.31% for term C)), as defined, plus a margin. The applicable LIBOR margin for the term loan A loans is currently 2.25%, and for the non−revolving loans and the term B−1 loans is currently 1.75% and 2.00%, respectively. The LIBOR term B−2 loan bears interest at LIBOR plus 5.0%, with a LIBOR floor of 3.5%, or at Charter Operating's election, a base rate plus a margin of 4.00%. Charter Operating has currently elected to pay based on the base rate. The applicable margin for the term C loans is currently 3.25% in the case of LIBOR loans, provided that if certain other term loans are borrowed or certain extended loans are established, then the term C loans shall automatically increase to the extent necessary to cause the yield for the term C loans to be 25 basis points less than the yield for the other certain term loans. Charter Operating pays interest equal to LIBOR plus 3.0% on amounts borrowed under the revolving credit facility and pays a revolving commitment fee of .5% per annum on the daily average available amount of the revolving commitment, payable quarterly.

The Charter Operating credit facilities also allow the Company to enter into incremental term loans in the future with an aggregate, together with all other then outstanding first lien indebtedness, including any first lien notes, of no more than $7.5 billion (less any principal payments of term loan indebtedness and first lien notes as a result of any sale of assets), with amortization as set forth in the notices establishing such term loans, but with no amortization greater than 1% per year prior to the final maturity of the existing term loans. Although the Charter Operating credit facilities allow for the incurrence of a certain amount of incremental term loans, no assurance can be given that the Company could obtain additional incremental term loans in the future if Charter Operating sought to do so or what amount of incremental term loans would be allowable at any given time under the terms of the Charter Operating credit facilities.

The obligations of Charter Operating under the Charter Operating credit facilities (the "Obligations") are guaranteed by Charter Operating's immediate parent company, CCO Holdings, and subsidiaries of Charter Operating, except for certain subsidiaries, including immaterial subsidiaries and subsidiaries precluded from guaranteeing by reason of the provisions of other indebtedness to which they are subject (the "non−guarantor subsidiaries"). The Obligations are also secured by (i) a lien on substantially all of the assets of Charter Operating and its subsidiaries (other than assets of the non−guarantor subsidiaries), to the extent such lien can be perfected under the Uniform Commercial Code by the filing of a financing statement, and (ii) a pledge by CCO Holdings of the equity interests owned by it in Charter Operating or any of Charter Operating's subsidiaries, as well as intercompany obligations owing to it by any of such entities.

Credit Facilities — Restrictive Covenants

CCO Holdings Credit Facility

The CCO Holdings credit facility contains covenants that are substantially similar to the restrictive covenants for the CCO Holdings notes except that the leverage ratio is 5.50 to 1.0 and the change of control definition provides that a change of control occurs if a holder becomes the beneficial owner of 35% or more of Charter's voting stock unless Paul G. Allen ("Mr. Allen") beneficially owns a greater percentage. The CCO Holdings credit facility contains provisions requiring mandatory loan prepayments under specific circumstances, including in connection with certain sales of assets, so long as the proceeds have not been reinvested in the business. The CCO Holdings credit facility permits CCO Holdings and its subsidiaries to make distributions to pay interest on the CCH II notes, the CCO Holdings notes, and the Charter Operating second−lien notes, provided that, among other things, no default has occurred and is continuing under the CCO Holdings credit facility.

Charter Operating Credit Facilities

The Charter Operating credit facilities contain representations and warranties, and affirmative and negative covenants customary for financings of this type. The financial covenants measure performance against standards set for leverage to be tested as of the end of each quarter. Additionally, the Charter Operating credit facilities contain provisions requiring mandatory loan prepayments

under specific circumstances, including in connection with certain sales of assets, so long as the proceeds have not been reinvested in the business. The Charter Operating credit facilities permit Charter Operating and its subsidiaries to make distributions to pay interest on the currently outstanding subordinated and parent company indebtedness, provided that, among other things, no default has occurred and is continuing under the Charter Operating credit facilities.

The events of default under the Charter Operating credit facilities include, among other things:

- the failure to make payments when due or within the applicable grace period;
- the failure to comply with specified covenants, including but not limited to a covenant to deliver audited financial statements for Charter Operating with an unqualified opinion from the Company's independent accountants and without a "going concern" or like qualification or exception;
- the failure to pay or the occurrence of events that cause or permit the acceleration of other indebtedness owing by CCO Holdings, Charter Operating, or Charter Operating's subsidiaries in aggregate principal amounts in excess of $100 million;
- the failure to pay or the occurrence of events that result in the acceleration of other indebtedness owing by certain of CCO Holdings' direct and indirect parent companies in aggregate principal amounts in excess of $200 million;
- the consummation of any transaction resulting in any person or group having power, directly or indirectly, to vote more than 50% of the ordinary voting power for the management of Charter Operating on a fully diluted basis or a change of control shall occur under any indebtedness of CCO Holdings, any first lien notes of Charter Operating or any specified long−term indebtedness of Charter Operating (as defined in the Credit Agreement) in excess of $200 million in aggregate principal amount with the CCO Holdings credit facilities containing a 35% beneficial ownership change of control provision; and
- Charter Operating ceasing to be a wholly−owned direct subsidiary of CCO Holdings, except in certain limited circumstances.

Limitations on Distributions

Distributions by the Company's subsidiaries to a parent company for payment of principal on parent company notes are restricted under the indentures and credit facilities discussed above, unless there is no default under the applicable indenture and credit facilities, and unless each applicable subsidiary's leverage ratio test is met at the time of such distribution. As of December 31, 2011, there was no default under any of these indentures or credit facilities. Distributions by Charter Operating for payment of principal on parent company notes are further restricted by the covenants in its credit facilities.

Distributions by CCO Holdings, and Charter Operating to a parent company for payment of parent company interest are permitted if there is no default under the aforementioned indentures and CCO Holdings and Charter Operating credit facilities.

In addition to the limitation on distributions under the various indentures discussed above, distributions by the Company's subsidiaries may only be made if they have "surplus" as defined in the Delaware Limited Liability Company Act.

Liquidity and Future Principal Payments

The Company continues to have significant amounts of debt, and its business requires significant cash to fund principal and interest payments on its debt, capital expenditures and ongoing operations. As set forth below, the Company has significant future principal payments beginning in 2012 and beyond. The Company continues to monitor the capital markets, and it expects to undertake refinancing transactions and utilize free cash flow and cash on hand to further extend or reduce the maturities of its principal obligations. The timing and terms of any refinancing transactions will be subject to market conditions.

(dollars in millions, except share or per share data or where indicated)

Based upon outstanding indebtedness as of December 31, 2011, the amortization of term loans, and the maturity dates for all senior and subordinated notes, total future principal payments on the total borrowings under all debt agreements as of December 31, 2011, are as follows:

Year	Amount
2012	$ 531
2013	243
2014	791
2015	490
2016	4,341
Thereafter	6,425
	$ 12,821

8. Preferred Stock

On the Effective Date, Charter issued approximately 5.5 million shares of 15% Pay−In−Kind Preferred Stock having an aggregate liquidation preference of $138 million to holders of Charter convertible notes (the “Preferred Stock”). Pursuant to the terms of the Preferred Stock, the Company was required to pay a dividend at an annual rate equal to 15% on the liquidation preference of the Preferred Stock. The liquidation preference of the Preferred Stock was $25 per share. On April 16, 2010, Charter redeemed all of the shares of the Preferred Stock for a redemption payment of $25.948 per share or a total redemption payment for all shares of approximately $143 million. The Preferred Stock was recorded at fair value with gains or losses recorded in other income (expense), net.

9. Treasury Stock

During the years ended December 31, 2011 and 2010 (Successor), the Company withheld 141,175 shares and 176,475 shares, respectively, of its common stock in payment of income tax withholding owed by employees upon vesting of restricted shares.

On March 22, 2011, the Company purchased, in a private transaction, 4.5 million shares of Charter’s Class A common stock from funds advised by Franklin Advisers, Inc. The price paid was $46.10 per share for a total of $207 million.

On August 9, 2011, the Company announced that Charter’s board of directors authorized the Company to repurchase up to $200 million of Charter’s Class A common stock and outstanding warrants. Under the repurchase program, shares of Charter’s Class A common stock and warrants to purchase Charter’s Class A common stock may be purchased from time to time during the course of the next 12 months. As of December 31, 2011 (Successor), Charter Holdco purchased approximately 4.1 million shares of Charter’s Class A common stock for a total of approximately $200 million. The average price per share paid was $48.48.

In December 2011, the Company purchased, in a private transaction with a shareholder, 750,000 shares at $55.18 for a total of $41 million. The Company received 700,668 of the shares prior to December 31, 2011, with 49,332 shares received in January 2012. In December 2011, the Company also entered into stock repurchase agreements for approximately 3.0 million shares of Charter's Class A common stock from funds advised by Oaktree Capital Management and approximately 2.2 million shares of Charter's Class A common stock from funds advised by Apollo Management Holdings. The price paid was $54.35 per share for a total of $163 million for the shares purchased from Oaktree Capital Management and $117 million for the shares purchased from Apollo Management Holdings.

In December 2011, Charter's board of directors approved the retirement of treasury stock and 14.8 million shares of treasury stock were retired as of December 31, 2011. The remaining 49,332 shares received in January 2012 were also retired in January 2012.

These transactions were funded from existing cash on hand and available liquidity. The Company accounted for treasury stock using the cost method and the treasury shares upon repurchase were reflected on the Company’s condensed consolidated balance sheets as a component of total shareholders’ equity. Upon retirement, these treasury shares were allocated between additional

paid−in capital and accumulated deficit based on the cost of original issue included in additional paid−in capital.

10. Noncontrolling Interest

Noncontrolling interest of $1.3 billion recognized during the eleven months ended November 30, 2009 represented the portion of Charter Holdco losses allocated to Mr. Allen. As of November 30, 2009, through his ownership in CII, Mr. Allen had a 45% common equity interest in Charter Holdco.

On December 28, 2009, CII exchanged 81% of its interest in Charter Holdco, and on February 8, 2010 the remaining interest was exchanged after which Charter Holdco became 100% owned by Charter. See Note 18.

11. Common Stock

All of the issued and outstanding shares of Predecessor common stock, par value $0.001 per share, and any other outstanding equity securities of Predecessor, including all options and restricted stock, were canceled on the Effective Date, and Successor issued 109.7 million shares of new Charter Class A common stock, par value $0.001 per share and 2.2 million shares of new Charter Class B common stock, par value 0.001 per share.

Charter's Class A common stock and Class B common stock were identical except with respect to certain voting, transfer and conversion rights. Holders of Class A common stock are entitled to one vote per share and the holder of Class B common stock was entitled to votes equaling 35% of the voting interests in Charter on a fully diluted basis. Charter Holdco membership units were exchangeable on a one−for−one basis for shares of Class A common stock.

As of December 31, 2010, Mr. Allen held all 2,241,299 shares of Class B common stock of Charter. Pursuant to the terms of the Certificate of Incorporation of Charter, on January 18, 2011, the Disinterested Members of the Board of Directors of Charter caused a conversion of the shares of Class B common stock into shares of Class A common stock on a one−for−one basis.

On the Effective Date, holders of notes issued by CCH I Holdings, LLC ("CIH") and Charter Holdings received 6.4 million and 1.3 million warrants, respectively, to purchase shares of new Charter Class A common stock with an exercise price of $46.86 and $51.28 per share, respectively, that expire five years from the date of issuance, and Charter Investment, Inc. ("CII"), an entity controlled by Mr. Allen, received 4.7 million warrants to purchase shares of new Charter Class A common stock with an exercise price of $19.80 per share that expire seven years from the date of issuance. The warrants were valued at approximately $90 million using the Black−Scholes option−pricing model and are included in the accompanying balance sheets in total Charter shareholders' equity.

(dollars in millions, except share or per share data or where indicated)

The following table summarizes our shares outstanding for the three years ended December 31, 2011:

	Class A Common Stock	Class B Common Stock
BALANCE, December 31, 2008, Predecessor	411,737,894	50,000
Performance share vesting	890,692	—
Restricted stock cancellations	(10,518,362)	—
Returns pursuant to share lending agreement	(18,784,300)	—
Cancellation of Predecessor Class A and Class B common stock	(383,325,924)	(50,000)
BALANCE, November 30, 2009, Predecessor	—	—
SUCCESSOR:		
Issuance of new Charter Class A and Class B common stock in connection with emergence from Chapter 11	109,748,948	2,241,299
Balance, November 30, 2009, Successor	109,748,948	2,241,299
CII exchange of Charter Holdco interest (see Note 18)	907,698	—
Restricted stock issuances	1,920,226	—
BALANCE, December 31, 2009, Successor	112,576,872	2,241,299
CII exchange of Charter Holdco interest (see Note 18)	212,923	—
Restricted stock cancellations, net of issuances	(311,650)	—
Stock issuances from exercise of warrants	21	—
Stock issuances pursuant to employment agreements	16,000	—
Purchase of treasury stock (see Note 9)	(176,475)	—
BALANCE, December 31, 2010, Successor	112,317,691	2,241,299
Conversion of Class B common stock into Class A	2,241,299	(2,241,299)
Restricted stock issuances, net of cancellations	472,099	—
Option exercises	140,893	—
Stock issuances pursuant to employment agreements	7,000	—
Purchase of treasury stock (see Note 9)	(14,608,564)	—
BALANCE, December 31, 2011, Successor	100,570,418	—

12. Comprehensive Income (Loss)

The Company reports changes in the fair value of interest rate swap agreements designated as hedging the variability of cash flows associated with floating−rate debt obligations, that meet effectiveness criteria in accumulated other comprehensive income (loss). Consolidated comprehensive loss for the years ended December 31, 2011 and 2010 (Successor) was $377 million and $294 million, respectively. Consolidated comprehensive income for the one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) was $2 million and $10.2 billion, respectively. Consolidated comprehensive income (loss) for the years ended December 31, 2011 and 2010 (Successor) and eleven months ended November 30, 2009 (Predecessor) includes an $8 million, $57 million and $9 million loss, respectively, on the fair value of interest rate swap agreements designated as cash flow hedges. For the eleven months ended November 30, 2009 (Predecessor), consolidated comprehensive income also included a $61 million gain related to the amortization of the accumulated other comprehensive loss related to terminated interest rate swap agreements in connection with the bankruptcy.

(dollars in millions, except share or per share data or where indicated)

13. Accounting for Derivative Instruments and Hedging Activities

The Company uses interest rate swap agreements to manage its interest costs and reduce the Company's exposure to increases in floating interest rates. The Company manages its exposure to fluctuations in interest rates by maintaining a mix of fixed and variable rate debt. Using interest rate swap agreements, the Company agrees to exchange, at specified intervals through 2015, the difference between fixed and variable interest amounts calculated by reference to agreed−upon notional principal amounts.

The Company does not hold or issue derivative instruments for speculative trading purposes. The Company has certain interest rate derivative instruments that have been designated as cash flow hedging instruments. Such instruments effectively convert variable interest payments on certain debt instruments into fixed payments. For qualifying hedges, realized derivative gains and losses offset related results on hedged items in the consolidated statements of operations. The Company formally documents, designates and assesses the effectiveness of transactions that receive hedge accounting.

The effect of derivative instruments on the Company's consolidated balance sheets is presented in the table below:

	Successor	
	December 31,	
	2011	2010
Other long−term liabilities:		
Fair value of interest rate derivatives designated as hedges	$ 65	$ 57
Accumulated other comprehensive loss:		
Interest rate derivatives designated as hedges	$ (65)	$ (57)

Changes in the fair value of interest rate agreements that are designated as hedging instruments of the variability of cash flows associated with floating−rate debt obligations, and that meet effectiveness criteria are reported in accumulated other comprehensive income (loss). The amounts are subsequently reclassified as an increase or decrease to interest expense in the same periods in which the related interest on the floating−rate debt obligations affected earnings (losses).

The effect of derivative instruments on the Company's consolidated statements of operations is presented in the table below.

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 31,
	2011	2010	2009	2009
Other income (expense), net:				
Loss on interest rate derivatives not designated as hedges or ineffective portion of hedges	$ —	$ —	$ —	$ (4)
Other comprehensive income (loss):				
Loss on interest rate derivatives designated as hedges (effective portion)	$ (8)	$ (57)	$ —	$ (9)
Amount of gain (loss) reclassified from accumulated other comprehensive loss into interest expense or reorganization items, net	$ (39)	$ (27)	$ —	$ 275

As of December 31, 2011 and 2010 (Successor), the Company had $2.0 billion in notional amounts of interest rate swap agreements outstanding. The notional amounts of interest rate instruments do not represent amounts exchanged by the parties and, thus, are not a measure of exposure to credit loss. The amounts exchanged were determined by reference to the notional amount and the

(dollars in millions, except share or per share data or where indicated)

other terms of the contracts.

14. Fair Value Measurements

Financial Assets and Liabilities

The Company has estimated the fair value of its financial instruments as of December 31, 2011 and 2010 using available market information or other appropriate valuation methodologies. Considerable judgment, however, is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented in the accompanying consolidated financial statements are not necessarily indicative of the amounts the Company would realize in a current market exchange.

The carrying amounts of cash and cash equivalents, receivables, payables and other current assets and liabilities approximate fair value because of the short maturity of those instruments.

The estimated fair value of the Company's debt at December 31, 2011 and 2010 are based on quoted market prices and is classified within Level 1 (defined below) of the valuation hierarchy.

A summary of the carrying value and fair value of the Company's debt at December 31, 2011 and 2010 is as follows:

	Successor			
	December 31,			
	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt				
CCH II debt	$ 1,692	$ 1,713	$ 2,057	$ 2,113
CCO Holdings debt	$ 6,241	$ 6,630	$ 2,600	$ 2,709
Charter Operating debt	$ 833	$ 847	$ 1,703	$ 1,774
Credit facilities	$ 4,090	$ 4,193	$ 5,946	$ 6,252

The accounting guidance establishes a three−level hierarchy for disclosure of fair value measurements, based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The interest rate derivatives designated as hedges were valued as $65 million and $57 million liabilities as of December 31, 2011 and 2010 (Successor), respectively, using a present value calculation based on an implied forward LIBOR curve (adjusted for Charter Operating's or counterparties' credit risk) and were classified within Level 2 of the valuation hierarchy. The weighted average pay rate for the Company's interest rate swap agreements was 2.25% at both December 31, 2011 and 2010 (Successor) (exclusive of applicable spreads).

Nonfinancial Assets and Liabilities

The Company's nonfinancial assets such as franchises, property, plant, and equipment, and other intangible assets are not measured at fair value on a recurring basis; however they are subject to fair value adjustments in certain circumstances, such as when there is evidence that an impairment may exist. During the eleven months ended November 30, 2009 (Predecessor), the Company recorded an impairment on its franchise assets of $2.2 billion and reflected its franchises, property, plant and equipment, customer relationships and goodwill at fair value based on applying fresh start accounting. The fair value of these assets was determined utilizing an income approach or cost approach that makes use of significant unobservable inputs. Such fair values are classified

(dollars in millions, except share or per share data or where indicated)

as Level 3 in the fair value hierarchy. See Note 5 for additional information. No impairments were recorded in 2011 and 2010.

In 2011, the Company acquired cable systems for total cash consideration of approximately $89 million and the Company acquired cable systems valued at $16 million in a non−cash transaction in exchange for Company cable systems. The acquisitions were recorded by allocating the cost of the acquisitions to the assets acquired, including property, plant and equipment, franchises and customer relationships based on their estimated fair values at the acquisition dates. The excess of the cost of the acquisitions over the net amounts assigned to the fair value of the assets acquired was recorded as goodwill. The fair value inputs used for the acquired assets were classified as Level 3 within the fair value hierarchy.

15. Other Operating (Income) Expenses, Net

Other operating (income) expenses, net consist of the following for the years presented:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 31,
	2011	2010	2009	2009
(Gain) loss on sale of assets, net	$ (4)	$ 9	$ 1	$ 6
Special charges, net	11	16	3	(44)
	$ 7	$ 25	$ 4	$ (38)

(Gain) loss on sale of assets, net

(Gain) loss on sale of assets represents the gain or loss recognized on the sales of fixed assets and cable systems.

Special charges, net

Special charges, net for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) primarily includes severance charges as well as net amounts of litigation settlements.

16. Other Income (Expense), Net

Other income (expense), net consists of the following for years presented:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Gain on investment	$ —	$ —	$ —	$ 1
Change in value of preferred stock	—	2	(3)	—
Change in value of derivatives	—	—	—	(4)
Other, net	(2)	—	—	1
	$ (2)	$ 2	$ (3)	$ (2)

17. Stock Compensation Plans

Charter's 2009 Stock Plan provides for grants of nonqualified stock options, incentive stock options, stock appreciation rights, dividend equivalent rights, performance units and performance shares, share awards, phantom stock, restricted stock units and restricted stock. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing consulting services for the Company, are eligible for grants under the 2009 Stock Plan.

In 2009, the majority of restricted stock and performance units and shares outstanding at that time were voluntarily forfeited by participants without termination of the service period, and the remaining, along with all stock options, were canceled on the Effective Date.

The Plan included an allocation of not less than 3% of new equity for employee grants with 50% of the allocation to be granted within thirty days of the Company's emergence from bankruptcy. In December 2009, the Company's board of directors authorized 8 million shares under the 2009 Stock Plan and awarded to certain employees 2 million shares of restricted stock, one−third of which are to vest on each of the first three anniversaries of the Effective Date. Such grant of new awards is deemed to be a modification of old awards and was accounted for as a modification of the original awards. As a result, unamortized compensation cost of $12 million was added to the cost of the new award and is being amortized over the vesting period.

Under the 2009 Stock Plan, restricted stock vests annually over a one to four−year period beginning from the date of grant. Stock options generally vest annually over four years from either the grant date or delayed vesting commencement dates. A portion of stock options and restricted stock granted in 2011 vest based on achievement of stock price hurdles over a delayed vesting schedule. Stock options generally expire ten years from the grant date. Restricted stock units have no voting rights and vest ratably over four years from either the grant date or delayed vesting commencement dates. As of December 31, 2011 (Successor), total unrecognized compensation remaining to be recognized in future periods totaled $44 million for restricted stock, $66 million for stock options and $13 million for restricted stock units and the weighted average period over which it is expected to be recognized is 3 years for restricted stock, 3 years for stock options and 4 years for restricted stock units. During the eleven months ended November 30, 2009, no equity awards were granted; however Charter granted $12 million of performance cash and restricted cash under Charter's 2009 incentive program.

The Company recorded $41 million, $28 million, $1 million and $26 million of stock compensation expense for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively, which is included in selling, general, and administrative expense and other operating expense (income), net.

A summary of the activity for the Company's stock options for the years ended December 31, 2011 and 2010, one month ended December 31, 2009 and eleven months ended November 30, 2009, is as follows (amounts in thousands, except per share data):

	Successor						Predecessor	
	Year Ended December 31,				One Month Ended December 31, 2009		Eleven Months Ended November 30, 2009	
	2011		2010					
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	1,431	$ 35.12	—	$ —	—	$ —	22,044	$ 3.82
Granted	3,042	$ 54.30	1,461	$ 35.12	—	$ —	—	$ —
Exercised	(141)	$ 35.38	—	$ —	—	$ —	—	$ —
Canceled	(314)	$ 36.40	(30)	$ 35.38	—	$ —	(22,044)	$ 3.82
Outstanding, end of period	4,018	$ 49.53	1,431	$ 35.12	—	$ —	—	$ —
Weighted average remaining contractual life	9 years		10 years		—		—	
Options exercisable, end of period	189	$ 34.92	—	$ —	—	$ —	—	$ —
Weighted average fair value of options granted	$ 23.03		$ 17.00		$ —		$ —	

A summary of the activity for the Company's restricted stock for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), is as follows (amounts in thousands, except per share data):

	Successor						Predecessor	
	Year Ended December 31,				One Month Ended December 31, 2009		Eleven Months Ended November 30, 2009	
	2011		2010					
	Shares	Weighted Average Grant Price	Shares	Weighted Average Grant Price	Shares	Weighted Average Grant Price	Shares	Weighted Average Grant Price
Outstanding, beginning of period	1,081	$ 34.81	1,920	$ 35.25	—	$ —	12,009	$ 1.21
Granted	669	$ 53.16	177	$ 32.23	1,920	$ 35.25	—	$ —
Vested	(438)	$ 34.98	(527)	$ 35.14	—	$ —	(259)	$ 1.08
Canceled	(197)	$ 34.98	(489)	$ 35.25	—	$ —	(11,750)	$ 1.21
Outstanding, end of period	1,115	$ 45.72	1,081	$ 34.81	1,920	$ 35.25	—	$ —

No restricted stock units were granted in 2010 or 2009. A summary of the activity for the Company's restricted stock units for the year ended December 31, 2011 (Successor) is as follows (amounts in thousands, except per share data):

	Successor	
	Year Ended December 31, 2011	
	Shares	Weighted Average Grant Price
Outstanding, beginning of period	—	$ —
Granted	276	$ 54.87
Vested	—	$ —
Canceled	(3)	$ 55.12
Outstanding, end of period	273	$ 54.86

No performance units or shares were granted in 2011, 2010 or 2009. On the Effective Date, all remaining performance units and shares were canceled. A summary of the activity for the Company's performance units and shares for the eleven months ended November 30, 2009 (Predecessor) is as follows (amounts in thousands, except per share data):

	Predecessor	
	Eleven Months Ended November 30, 2009	
	Shares	Weighted Average Grant Price
Outstanding, beginning of period	33,037	$ 1.80
Granted	—	$ —
Vested	(951)	$ 1.21
Canceled	(32,086)	$ 1.81
Outstanding, end of period	—	$ —

18. Income Taxes

All of Charter's operations are held through Charter Holdco and its direct and indirect subsidiaries. Charter Holdco and the majority of its subsidiaries are generally limited liability companies that are not subject to income tax. However, certain of these limited liability companies are subject to state income tax. In addition, the indirect subsidiaries that are corporations are subject to federal and state income tax. All of the remaining taxable income, gains, losses, deductions and credits of Charter Holdco are passed through to Charter.

In connection with the Plan, Charter, CII, Mr. Allen and Charter Holdco entered into an exchange agreement (the "Exchange Agreement"), pursuant to which CII had the right to require Charter to (i) exchange all or a portion of CII's membership interest in Charter Holdco or 100% of CII for $1,000 in cash and shares of Charter's Class A common stock in a taxable transaction, or (ii) merge CII with and into Charter, or a wholly−owned subsidiary of Charter, in a tax−free transaction (or undertake a tax−free

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transaction similar to the taxable transaction in subclause (i)), subject to CII meeting certain conditions. In addition, Charter had the right, under certain circumstances involving a change of control of Charter to require CII to effect an exchange transaction of the type elected by CII from subclauses (i) or (ii) above, which election is subject to certain limitations.

On December 28, 2009, CII exercised its right, under the Exchange Agreement with Charter, to exchange 81% of its common membership interest in Charter Holdco for $1,000 in cash and 907,698 shares of Charter's Class A common stock in a fully taxable transaction. As a result of this transaction, Charter's deferred tax liability increased by $100 million. Charter also received a step−up in tax basis in Charter Holdco's assets, under section 743 of the Code, relative to the interest in Charter Holdco it acquired from CII. Based upon the taxable exchange which occurred on December 28, 2009, CII fulfilled the conditions necessary to allow it to elect a tax−free transaction at any time during the remaining term of the Exchange Agreement.

On February 8, 2010, the remaining CII interest in Charter Holdco was exchanged for 212,923 shares of Charter's Class A common stock in a non−taxable transaction after which Charter Holdco became 100% owned by Charter. As a result of this transaction, Charter recorded the tax attributes previously attributed to the CII noncontrolling interest which increased net deferred tax liabilities by approximately $99 million. The $99 million is the result of an overall increase in the gross deferred tax liability of $221 million and a corresponding reduction of valuation allowance of $122 million. The combined net effects of this transaction were recorded in the financial statements as a $168 million reduction of additional paid−in capital and a $69 million reduction of income tax expense for the year ended December 31, 2010 (Successor).

For the years ended December 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), the Company recorded deferred income tax expense and benefits as shown below. The income tax expense is recognized primarily through increases in deferred tax liabilities related to our investment in Charter Holdco, as well as through current federal and state income tax expense and increases in the deferred tax liabilities of certain of our indirect corporate subsidiaries. The income tax benefits were realized through reductions in the deferred tax liabilities related to Charter's investment in Charter Holdco, as well as the deferred tax liabilities of certain of Charter's indirect corporate subsidiaries. The tax provision in future periods will vary based on current and future temporary differences, as well as future operating results.

Current and deferred income tax benefit (expense) is as follows:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Current expense:				
Federal income taxes	$ —	$ —	$ —	$ (1)
State income taxes	(9)	(8)	(1)	(6)
Current income tax expense	(9)	(8)	(1)	(7)
Deferred benefit (expense):				
Federal income taxes	(258)	(263)	(6)	343
State income taxes	(32)	(24)	(1)	15
Deferred income tax benefit (expense)	(290)	(287)	(7)	358
Total income benefit (expense)	$ (299)	$ (295)	$ (8)	$ 351

Income tax benefit for the eleven months ended November 30, 2009 (Predecessor) included $480 million of deferred tax benefit related to the impairment of franchises.

The Company's effective tax rate differs from that derived by applying the applicable federal income tax rate of 35% for the

(dollars in millions, except share or per share data or where indicated)

years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively, as follows:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Statutory federal income taxes	$ 24	$ (20)	$ (4)	$ (3,412)
Statutory state income taxes, net	(9)	(8)	(1)	(298)
Nondeductible expenses	(5)	(4)	—	—
Non−includable reorganization income	—	—	—	420
Change in valuation allowance	(312)	(248)	(3)	3,826
Changes in provision estimates	1	(23)	—	—
Other	2	8	—	(185)
Income tax benefit (expense)	$ (299)	$ (295)	$ (8)	$ 351

For the years ended December 31, 2011 and 2010 (Successor), the change in valuation allowance includes an increase of $3 million and $22 million, respectively, related to adjustments to cash flow hedges included in other comprehensive income, and 2010 also includes an increase of $50 million related to Charter's investment in partnership interest.

(dollars in millions, except share or per share data or where indicated)

The tax effects of these temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2011 and 2010 (Successor) are presented below.

	Successor	
	December 31,	
	2011	2010
Deferred tax assets:		
Goodwill	$ 193	$ 192
Deferred financing	—	31
Investment in partnership	448	450
Loss carryforwards	3,069	2,867
Accrued and other	114	148
Total gross deferred tax assets	3,824	3,688
Less: valuation allowance	(2,587)	(2,275)
Deferred tax assets	$ 1,237	$ 1,413
Deferred tax liabilities:		
Indefinite life intangibles	$ (838)	$ (575)
Other intangibles	(360)	(489)
Property, plant and equipment	(567)	(626)
Deferred financing and other	(32)	(1)
Indirect corporate subsidiaries:		
Indefinite life intangibles	(119)	(117)
Other	(145)	(143)
Deferred tax liabilities	(2,061)	(1,951)
Net deferred tax liabilities	$ (824)	$ (538)

Included in net deferred tax liabilities above is net current deferred assets of $23 million and $30 million as of December 31, 2011 and 2010, respectively, included in prepaid expenses and other current assets in the accompanying consolidated balance sheets of the Company. Net deferred tax liabilities included approximately $221 million and $225 million at December 31, 2011 and 2010, respectively, relating to certain indirect subsidiaries of Charter Holdco that file separate federal or state income tax returns. The remainder of the Company's net deferred tax liability arose from Charter's investment in Charter Holdco, and was largely attributable to the characterization of franchises for financial reporting purposes as indefinite−lived.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. Due to the Company’s history of losses and the limitations imposed under Section 382 of the Code, discussed below, on Charter’s ability to use existing loss carryforwards in the future, valuation allowances have been established except for future taxable income that will result from the reversal of existing temporary differences for which deferred tax liabilities are recognized. Realization of deferred tax assets is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. The amount of the deferred tax assets considered realizable and, therefore, reflected in the consolidated balance sheet, would be increased at such time that it is more−likely−than−not future taxable income will be realized during the carryforward period. At the time this consideration is met, an adjustment to reverse some portion of the existing valuation allowance would result.

As of December 31, 2011 (Successor), Charter and its indirect corporate subsidiaries had approximately $7.4 billion of federal tax net operating and capital loss carryforwards, resulting in a gross deferred tax asset of approximately $2.6 billion, expiring in the years 2014 through 2031. These losses resulted from the operations of Charter Holdco and its subsidiaries. In addition, as of December 31, 2011 (Successor), Charter and its indirect corporate subsidiaries had state tax net operating and capital loss

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carryforwards, resulting in a gross deferred tax asset (net of federal tax benefit) of approximately $252 million, generally expiring in years 2012 through 2031.

Upon emergence from bankruptcy, Charter experienced an "ownership change" as defined in Section 382 of the Code. Therefore, the use of Charter's tax loss carryforwards is subject to certain limitations under Section 382. As of December 31, 2011 (Successor), $2.6 billion of federal tax loss carryforwards are unrestricted and available for Charter's immediate use, while approximately $4.8 billion of federal tax loss carryforwards are still subject to Section 382 restrictions. Pursuant to these restrictions, an aggregate of $1.5 billion, in varying amounts from 2012 to 2014, and an additional $176 million annually over each of the next 17 years of federal tax loss carryforwards, should become unrestricted and available for Charter's use. Those limitation amounts accumulate for future use to the extent they are not utilized in a given year. Charter's state loss carryforwards are also subject to similar, but varying, restrictions on their future use. Charter's indirect corporate subsidiaries are also subject to separate Section 382 limitations on the utilization of their net operating loss carryforwards. If the Company was to experience another "ownership change" in the future, its ability to use its loss carryforwards could be subject to further limitations.

In determining the Company's tax provision for financial reporting purposes, the Company establishes a reserve for uncertain tax positions unless such positions are determined to be "more likely than not" of being sustained upon examination, based on their technical merits. There is considerable judgment involved in determining whether positions taken on the tax return are "more likely than not" of being sustained. A reconciliation of the beginning and ending amount of unrecognized tax benefits included in other long−term liabilities in the accompanying consolidated balance sheets of the Company is as follows.

Balance at December 31, 2009 (Successor)	$ 23
Additions based on tax positions related to current period	228
Reductions due to tax positions related to prior year	(27)
Balance at December 31, 2010 (Successor)	224
Additions based on tax positions related to prior year	64
Reductions due to tax positions related to prior year	(60)
Balance at December 31, 2011 (Successor)	$ 228

Included in the balance at December 31, 2011, are $4 million of net additions to uncertain tax positions for which the ultimate deductibility is highly certain, but for which there is uncertainty about the character of the deductibility. Included in the balance at December 31, 2010, are additions to the uncertain tax position of $228 million related to a 2009 tax position for which the ultimate deductibility is highly certain, but for which there is uncertainty about the character of the deductibility. The change in character of the deduction would not impact the annual effective tax rate after consideration of the valuation allowance. The deductions for the uncertain tax positions are included with the loss carryforwards in the deferred tax assets.

The Company does not currently anticipate that its existing reserves related to uncertain income tax positions as of December 31, 2011 will significantly increase or decrease during the twelve−month period ending December 31, 2012; however, various events could cause the Company's current expectations to change in the future. These uncertain tax positions, if ever recognized in the financial statements, would be recorded in the consolidated statement of operations as part of the income tax provision.

No tax years for Charter or Charter Holdco are currently under examination by the Internal Revenue Service. Tax years ending 2008 through 2011 remain subject to examination and assessment. Years prior to 2008 remain open solely for purposes of examination of Charter's loss and credit carryforwards.

19. Earnings (Loss) Per Share

Basic earnings (loss) per share is based on the average number of shares of common stock outstanding during the period. Diluted earnings per share is based on the average number of shares used for the basic earnings per share calculation, adjusted for the dilutive effect of stock options, restricted stock, performance shares and units, convertible debt, convertible redeemable preferred stock and exchangeable membership units. Basic loss per share equaled diluted loss per share for the years ended December 31, 2011 and 2010 (Successor), as the effect of stock options and other convertible securities are antidilutive because the Company incurred net losses.

(dollars in millions, except share or per share data or where indicated)

	Successor		
	One Month Ended December 31, 2009		
	Earnings	Shares	Earnings Per Share
Basic earnings per share	$ 2	112,078,089	$ 0.02
Effect of Class B common stock	—	212,923	—
CII warrants	—	2,055,849	—
Diluted earnings per share	$ 2	114,346,861	$ 0.02

The shares of Class B common stock held by Mr. Allen had a 35% voting interest in Charter, on a fully diluted basis, and were exchangeable at any time on a one−for−one basis for shares of Charter Class A common stock. The CII warrants represent shares resulting from the exercise of warrants held by CII. See Note 23.

The 1.3 million Charter Holdings warrants and 6.4 million CIH warrants were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the common shares. Restricted stock was also not included in the computation of diluted earnings per share because the effect would have been antidilutive.

	Predecessor		
	Eleven Months Ended November 30, 2009		
	Earnings	Shares	Earnings Per Share
Basic earnings per share	$ 11,364	378,784,231	$ 30.00
Effect of CII Class B Charter Holdco units	—	222,818,858	(11.11)
Effect of Vulcan Class B Charter Holdco units	—	116,313,173	(3.06)
Effect of 5.875% convertible senior notes due 2009	—	1,287,190	(0.03)
Effect of CCHC note	1	42,282,098	(0.87)
Effect of 6.50% convertible senior notes due 2027	8	140,581,566	(2.32)
Diluted earnings per share	$ 11,373	902,067,116	$ 12.61

Prior to the Effective Date, CII Class B Charter Holdco units and Vulcan Class B Charter Holdco units represented membership units in Charter Holdco, held by entities controlled by Mr. Allen, that were exchangeable at any time on a one−for−one basis for shares of Charter Class B common stock, which were in turn convertible on a one−for−one basis into shares of Charter Class A common stock. The 5.875% convertible senior notes due 2009 and 6.50% convertible senior notes due 2027 represent the shares resulting from the assumed conversion of the notes into shares of Charter's Class A common stock. The CCHC note represented the shares resulting from the assumed conversion of the note into Charter Holdco units that were exchangeable on a one−for−one basis for shares of Charter Class B common stock, which were in turn convertible on a one−for−one basis into shares of Charter Class A common stock.

All options to purchase common stock, which were outstanding during the eleven months ended November 30, 2009, were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares. All restricted stock and performance units were also not included in the computation of diluted earnings per share because the effect would have been antidilutive.

20. Related Party Transactions

The following sets forth certain transactions in which the Company and the directors, executive officers, and affiliates of the Company are involved.

Charter is a party to management arrangements with Charter Holdco and certain of its subsidiaries. Prior to the Effective Date, Mr. Allen had a significant interest in Charter Holdco resulting in these management arrangements constituting related party transactions prior to that time. Under these agreements, Charter and Charter Holdco provide management services for the cable systems owned or operated by their subsidiaries. The management services include such services as 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. Costs associated with providing these services are charged directly to the Company's operating subsidiaries and are included within operating costs in the accompanying consolidated statements of operations. Such costs totaled $249 million, $246 million, $21 million and $217 million for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively. All other costs incurred on behalf of Charter's operating subsidiaries are considered a part of the management fee and are recorded as a component of selling, general and administrative expense, in the accompanying consolidated financial statements. The management fee charged to the Company's operating subsidiaries approximated the expenses incurred by Charter Holdco and Charter on behalf of the Company's operating subsidiaries in 2011, 2010 and 2009.

CC VIII, LLC Interest

For the year ended December 31, 2009, pursuant to indemnification provisions in the October 2005 settlement with Mr. Allen regarding the CC VIII, LLC ("CC VIII") interest, the Company reimbursed Vulcan Inc. approximately $3 million in legal expenses.

Allen Agreement

In connection with the Plan, Charter, Mr. Allen and CII entered into a separate restructuring agreement (as amended, the "Allen Agreement"), in settlement and compromise of their legal, contractual and equitable rights, claims and remedies against Charter and its subsidiaries. In addition to any amounts received by virtue of CII's holding other claims against Charter and its subsidiaries, on the Effective Date, CII was issued 2.2 million shares of the new Charter Class B common stock and 35% (determined on a fully diluted basis) of the total voting power of all new capital stock of Charter. Each share of new Charter Class B common stock was convertible, at the option of the holder or the Disinterested Members of the Board of Directors of Charter, into one share of new Charter Class A common stock, and was subject to significant restrictions on transfer and conversion. Certain holders of new Charter Class A common stock (and securities convertible into or exercisable or exchangeable therefore) and new Charter Class B common stock received certain customary registration rights with respect to their shares. As of December 31, 2010 (Successor), Mr. Allen held all 2.2 million shares of Class B common stock of Charter. Pursuant to the terms of the Certificate of Incorporation of Charter, on January 18, 2011, the Disinterested Members of the Board of Directors of Charter caused a conversion of the shares of Class B common stock into shares of Class A common stock on a one−for−one basis. As a result of such conversion, Mr. Allen no longer has the right to appoint four directors and the Class B directors became Class A directors. On January 18, 2011, directors William L. McGrath and Christopher M. Temple, both former Class B directors, resigned from Charter's board of directors. Edgar Lee and Stan Parker were appointed to fill the vacant positions.

Stock Repurchases

See "Note 9. Treasury Stock" for the description of Charter's purchase of shares of its Class A common stock from Franklin Advisers, Inc., Oaktree Capital Management and Apollo Management Holdings. At the time of the purchase, funds advised by Franklin Advisers, Inc., Oaktree Capital Management and Apollo Management Holdings beneficially held more than 10% of Charter's Class A common stock.

(dollars in millions, except share or per share data or where indicated)

21. Commitments and Contingencies

Commitments

The following table summarizes the Company's payment obligations as of December 31, 2011 (Successor) for its contractual obligations.

	Total	2012	2013	2014	2015	2016	Thereafter
Contractual Obligations							
Capital and Operating Lease Obligations (1)	$ 100	$ 33	$ 25	$ 18	$ 10	$ 6	$ 8
Programming Minimum Commitments (2)	223	167	56	—	—	—	—
Other (3)	386	227	62	61	35	1	—
Total	$ 709	$ 427	$ 143	$ 79	$ 45	$ 7	$ 8

(1) The Company leases certain facilities and equipment under noncancelable operating leases. Leases and rental costs charged to expense for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), were $26 million, $26 million, $2 million and $25 million, respectively.

(2) The Company pays programming fees under multi−year contracts ranging from three to ten years, typically based on a flat fee per customer, which may be fixed for the term, or may in some cases escalate over the term. Programming costs included in the accompanying statement of operations were $1.9 billion, $1.8 billion, $146 million and $1.6 billion, for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor), eleven months ended November 30, 2009 (Predecessor), respectively. Certain of the Company's programming agreements are based on a flat fee per month or have guaranteed minimum payments. The table sets forth the aggregate guaranteed minimum commitments under the Company's programming contracts.

(3) "Other" represents other guaranteed minimum commitments, which consist primarily of commitments to the Company's billing services vendors.

The following items are not included in the contractual obligation table due to various factors discussed below. However, the Company incurs these costs as part of its operations:

- The Company rents utility poles used 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 years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), was $49 million, $50 million, $4 million, and $43 million, respectively.

- The Company pays franchise fees under multi−year franchise agreements based on a percentage of revenues generated from video service per year. The Company also pays other franchise related costs, such as public education grants, under multi−year agreements. Franchise fees and other franchise−related costs included in the accompanying statement of operations were $174 million, $178 million, $15 million and $161 million for the years ended December 31, 2011 and 2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively.

- The Company also has $64 million in letters of credit, primarily to its various worker's compensation, property and casualty, and general liability carriers, as collateral for reimbursement of claims.

Litigation

On August 28, 2008, a lawsuit was filed against Charter and Charter Communications, LLC ("Charter LLC") in the United States District Court for the Western District of Wisconsin (entitled, Marc Goodell et al. v. Charter Communications, LLC and Charter

Communications, Inc.). The plaintiffs sought to represent a class of current and former broadband, system and other types of technicians who are or were employed by Charter or Charter LLC and alleged that Charter and Charter LLC violated certain wage and hour statutes. In May 2010, the parties entered into a settlement agreement disposing of all claims. On September 24, 2010, the court granted final approval of the settlement. The Company had accrued and subsequently paid the settlement costs associated with this case. The Company has been subjected, in the normal course of business, to the assertion of other wage and hour claims and could be subjected to additional such claims in the future. The Company cannot predict the outcome of any such claims nor can it estimate a reasonable range of loss.

On March 27, 2009, Charter filed a Chapter 11 petition in the United States Bankruptcy Court for the Southern District of New York. On November 17, 2009, the Bankruptcy Court issued its Order and Opinion confirming the Plan over the objections of various objectors. Charter consummated the Plan on November 30, 2009 and reinstated the Charter Operating Credit Agreement and certain other debt of its subsidiaries.

Two appeals are pending relating to confirmation of the Plan, the appeals by (i) Law Debenture Trust Company of New York ("Law Debenture Trust") (as the Trustee with respect to the $479 million in aggregate principal amount of 6.50% convertible senior notes due 2027 issued by Charter which are no longer outstanding following consummation of the Plan); and (ii) R2 Investments, LDC ("R2 Investments") (a former equity interest holder in Charter). The appeals by Law Debenture Trust and R2 Investments were denied by the District Court for the Southern District of New York in March 2011. A Notice of Appeal of that denial has been filed by both Law Debenture Trust and R2 Investments. The Company cannot predict the ultimate outcome of the appeals nor can it estimate a reasonable range of loss.

The Company is also a defendant or co−defendant in several lawsuits claiming infringement of various patents relating to various aspects of its businesses. Other industry participants are also defendants in certain of these cases.

In the event that a court ultimately determines that the Company infringes on any intellectual property rights, the Company may be subject to substantial damages and/or an injunction that could require the Company or its vendors to modify certain products and services the Company offers to its subscribers, as well as negotiate royalty or license agreements with respect to the patents at issue. While the Company believes the lawsuits are without merit and intends to defend the actions vigorously, no assurance can be given that any adverse outcome would not be material to the Company's consolidated financial condition, results of operations, or liquidity. The Company cannot predict the outcome of any such claims nor can it estimate a reasonable range of loss.

The Company is party to lawsuits and claims that arise in the ordinary course of conducting its business, including lawsuits claiming violation of anti−trust laws and violation of wage and hour laws. The ultimate outcome of these other legal matters pending against the Company cannot be predicted, and although such lawsuits and claims are not expected individually to have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity, such lawsuits could have, in the aggregate, a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity. Whether or not the Company ultimately prevails in any particular lawsuit or claim, litigation can be time consuming and costly and injure the Company's reputation.

Regulation in the Cable Industry

The operation of a cable system is extensively regulated by the Federal Communications Commission ("FCC"), some state governments and most local governments. The FCC 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 FCC licenses needed to operate certain transmission facilities used in connection with cable operations. The Telecommunications Act of 1996 altered the regulatory structure governing the nation's communications providers. It removed barriers to competition in both the cable television market and the telephone market. Among other things, it reduced the scope of cable rate regulation and encouraged additional competition in the video programming industry by allowing telephone companies to provide video programming in their own telephone service areas. Future legislative and regulatory changes could adversely affect the Company's operations.

22. Employee Benefit Plan

The Company's employees may participate in the Charter Communications, Inc. 401(k) Plan. Employees that qualify for participation can contribute up to 50% of their salary, on a pre−tax basis, subject to a maximum contribution limit as determined by the Internal Revenue Service. For each payroll period, the Company contributed to the 401(k) Plan (a) the total amount of the salary reduction the employee elects to defer between 1% and 50% and (b) prior to January 1, 2010, a matching contribution equal to 50% of the amount of the salary reduction the participant elected to defer (up to 5% of the participant's payroll compensation), excluding any catch−up contributions. The Company made contributions to the 401(k) plan totaling $1 million and $7 million for the one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor), respectively.

Effective January 1, 2010, the Company's matching contribution is discretionary with the intent that any contribution be based on performance metrics used in its other bonus and incentive plans. The discretionary performance contribution is made on an annual basis (instead of on a per pay period basis). Each participant who makes before−tax contributions and is employed on the last day of the fiscal year received a portion of the discretionary performance contribution, if any, on a pro rata basis. The Company divided each participant's before−tax contributions for the year (up to 5% of eligible earnings, excluding catch−up contributions) by the total employee contributions (up to 5% of eligible earnings, excluding catch−up contributions) for the year to determine each participant's share of any discretionary performance contribution. The Company made contributions to the 401(k) plan totaling $7 million for the year ended December 31, 2010 (Successor) and expects to make contributions to the 401(k) plan totaling $6 million for the year ended December 31, 2011 (Successor).

23. Emergence from Reorganization Proceedings

On March 27, 2009, the Company and certain affiliates filed voluntary petitions in the Bankruptcy Court to reorganize under the Bankruptcy Code. The Chapter 11 cases were jointly administered under the caption In re Charter Communications, Inc., et al., Case No. 09−11435. On May 7, 2009, the Company filed the Plan and a related disclosure statement ("Disclosure Statement") with the Bankruptcy Court. The Plan was confirmed by order of the Bankruptcy Court on November 17, 2009, and became effective on the Effective Date, the date on which the Company emerged from protection under Chapter 11 of the Bankruptcy Code.

The Company selected December 1, 2009 for application of fresh start accounting. Accordingly, the results of operations of the Company for the eleven months ended November 30, 2009 (Predecessor) include reorganization items of $644 million and a pre−emergence gain of $6.8 billion primarily resulting from the discharge of long−term debt under the Plan and the related accrued interest offset by the issuance of common stock, preferred stock, warrants and new notes to holders of such notes. The following notes were eliminated on the Effective Date:

Charter Convertible Notes. On the Effective Date, $482 million of Charter convertible senior notes were canceled and holders of the convertible senior notes received $25 million in cash and 5.5 million shares of preferred stock issued by Charter valued at $145 million as of the Effective Date.

Charter Holdings Notes. On the Effective Date, $440 million of Charter Holdings senior and senior discount notes were canceled. Holders of Charter Holdings notes received 1.3 million warrants to purchase shares of new Charter Class A common stock with an exercise price of $51.28 per share that expire five years after the date of issuance. The warrants were valued at $6 million as of the Effective Date.

CCH I Holdings, LLC Notes. On the Effective Date, $2.5 billion of CIH senior and senior discount notes were canceled. Holders of CIH notes received 6.4 million warrants to purchase shares of new Charter Class A common stock with an exercise price of $46.86 per share that expire five years after the date of issuance. The warrants were valued at $35 million as of the Effective Date.

CCH I, LLC Notes. On the Effective Date, $4.0 billion of CCH I senior and senior discount notes were canceled. Holders of CCH I notes received 21.1 million shares of new Charter Class A common stock. In addition, as part of the Plan, the holders of CCH I notes received and transferred to Mr. Allen $85 million principal amount of new CCH II notes valued at $101 million as of the Effective Date.

CCH II, LLC Notes. On the Effective Date, $2.5 billion of CCH II senior notes were canceled through an exchange with holders who received new 13.500% senior CCH II notes and cash paid for the remaining unexchanged amount.

Fresh start accounting provided, among other things, for a determination of the value assigned to the equity of the emerging company as of a date selected for financial reporting purposes. In the Disclosure Statement, the reorganization value of the Company was set forth as approximately $14.1 billion to $16.6 billion, with a midpoint estimate of $15.4 billion. Under fresh start accounting, this reorganization value was allocated to the Company's assets based on their respective fair values. The fresh start adjustments to fair value resulted in an increase to the carrying value of property, plant and equipment of $2.0 billion, the establishment of customer relationships at a fair value of $2.4 billion, and the recording of goodwill of $951 million. The reduction in long−term debt was $502 million to reflect it at its fair value and the net increase to shareholder's equity was $6.0 billion.

Reorganization value, along with other terms of the Plan, was determined after extensive arms−length negotiations with the Company's creditors. The value was based upon expected future cash flows of the business after emergence from Chapter 11, discounted at rates reflecting perceived business and financial risks (the discounted cash flows). This valuation and a valuation using market value multiples for peer companies were blended to arrive at the reorganization value. Reorganization value is intended to approximate the amount a willing buyer would pay for the assets of the Company immediately after the reorganization.

Based on conditions in the cable industry and general economic conditions, the mid−point of the range of valuations was used to determine the reorganization value. Under fresh start accounting, this reorganization value was allocated to the Company's assets based on their respective fair values. The reorganization value, after adjustments for working capital, is reduced by the fair value of debt and other noncurrent liabilities, and preferred stock with the remainder representing the value to common shareholders. The market capitalization of Charter's common stock may differ materially from this value.

The significant assumptions related to the valuations of the Company's assets and liabilities in connection with fresh start accounting include the following:

Property, plant and equipment — Property, plant and equipment was valued at fair value of $6.8 billion as of November 30, 2009. In establishing fair value for the vast majority of the Company's property, plant and equipment, the cost approach was utilized. The cost approach considers the amount required to replace an asset by constructing or purchasing a new asset with similar utility, then adjusts the value in consideration of all forms of depreciation as of the appraisal date.

The cost approach relies on management's assumptions regarding current material and labor costs required to rebuild and repurchase significant components of the Company's property, plant and equipment along with assumptions regarding the age and estimated useful lives of the Company's property, plant and equipment.

Intangible Assets — The Company identified the following intangible assets to be valued: (i) franchise marketing rights, (ii) customer relationships, and (iii) trademarks.

Franchise marketing rights and customer relationships were valued using an income approach and were valued at $5.3 billion and $2.4 billion, respectively, as of November 30, 2009. See Note 5 to the consolidated financial statements for a description of the methods used to value intangible assets.

The relief from royalty method was used to value trademarks at $158 million as of November 30, 2009. See Note 5 to the consolidated financial statements for a description of the methods used to value intangible assets.

Long−Term Debt – Long−term debt was valued at fair value using quoted market prices.

We recorded a pre−tax gain of $5.7 billion resulting from the aggregate changes to the net carrying value of our pre−emergence assets and liabilities to record their fair values under fresh start accounting. Income tax benefit for the eleven months ended November 30, 2009 (Predecessor) includes $92 million of benefit related to these adjustments and to gains due to Plan effects.

Reorganization items, net is presented separately in the condensed consolidated statements of operations and represents items of income, expense, gain or loss that are realized or incurred by the Company because it was in reorganization under Chapter 11 of the U.S. Bankruptcy Code.

(dollars in millions, except share or per share data or where indicated)

Reorganization items, net consisted of the following items:

	Successor			Predecessor
	Year Ended December 31,		One Month Ended December 31,	Eleven Months Ended November 30,
	2011	2010	2009	2009
Penalty interest, net	$ —	$ —	$ —	$ 351
Loss on debt at allowed claim amount	—	—	—	97
Professional fees	3	6	3	167
Paul Allen management fee settlement – related party	—	—	—	11
Other	—	—	—	18
Total Reorganization Items, Net	$ 3	$ 6	$ 3	$ 644

Reorganization items, net consist of adjustments to record liabilities at the allowed claim amounts, including the write off of deferred financing fees, and other expenses directly related to the Company's bankruptcy proceedings. Post−emergence professional fees relate to claim settlements, plan implementation and other transition costs related to the Plan.

24. Recently Issued Accounting Standards

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011−04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRSs) ("ASU 2011−04"). ASU 2011−04 provides guidance about how fair value should be determined when it is already required or permitted. Most of the changes clarify existing guidance or change words to align U.S. GAAP with IFRS. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company does not expect the adoption of ASU 2011−04 to have a material impact on its consolidated financial statements.

In June 2011, the FASB issued ASU 2011−05, Presentation of Comprehensive Income ("ASU 2011−05"). ASU 2011−05 provides guidance on presenting comprehensive income with the intention of increasing its prominence in financial statements by eliminating the option to report other comprehensive income and its components in the statement of changes in stockholder's equity. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company does not expect the adoption of ASU 2011−05 to have a material impact on its consolidated financial statements.

(dollars in millions, except share or per share data or where indicated)

25. Unaudited Quarterly Financial Data

The following table presents quarterly data for the periods presented on the consolidated statement of operations:

	Successor			
	Year Ended December 31, 2011			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 1,770	$ 1,791	$ 1,809	$ 1,834
Income from operations	$ 269	$ 270	$ 237	$ 265
Net loss – Charter shareholders	$ (110)	$ (107)	$ (85)	$ (67)
Loss per common share – Charter shareholders:				
Basic and diluted	$ (0.97)	$ (0.98)	$ (0.79)	$ (0.63)
Weighted average common shares outstanding:				
Basic and diluted	113,224,303	109,265,876	108,420,169	105,503,936

	Successor			
	Year Ended December 31, 2010			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 1,735	$ 1,771	$ 1,769	$ 1,784
Income from operations	$ 251	$ 254	$ 240	$ 279
Net income (loss) – Charter shareholders	$ 24	$ (81)	$ (95)	$ (85)
Earnings (loss) per common share – Charter shareholders:				
Basic	$ 0.21	$ (0.72)	$ (0.84)	$ (0.75)
Diluted	$ 0.21	$ (0.72)	$ (0.84)	$ (0.75)
Weighted average common shares outstanding:				
Basic	113,020,967	113,110,882	113,110,889	113,308,253
Diluted	114,883,134	113,110,882	113,110,889	113,308,253

26. Consolidating Schedules

The CCO Holdings notes and the CCO Holdings credit facility are obligations of CCO Holdings. The CCH II notes are obligations of CCH II. However, these notes of CCO Holdings and CCH II are also jointly, severally, fully and unconditionally guaranteed on an unsecured senior basis by Charter.

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S−X Rule 3−10, Financial Statements of Guarantors and Affiliates Whose Securities Collateralize an Issue Registered or Being Registered. This information is not intended to present the financial position, results of operations and cash flows of the individual companies or groups of companies in accordance with generally accepted accounting principles.

Condensed consolidating financial statements as of December 31, 2011 and 2010 and for the years ended December 31, 2011 and

(dollars in millions, except share or per share data or where indicated)

2010 (Successor), one month ended December 31, 2009 (Successor) and eleven months ended November 30, 2009 (Predecessor) follow.

Charter Communications, Inc.
Condensed Consolidating Balance Sheet
Successor
As of December 31, 2011

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ —	$ —	$ —	$ 2	$ —	$ —	$ 2
Restricted cash and cash equivalents	—	—	—	—	27	—	27
Accounts receivable, net	—	4	—	—	268	—	272
Receivables from related party	58	176	8	7	—	(249)	—
Prepaid expenses and other current assets	21	21	—	—	27	—	69
Total current assets	79	201	8	9	322	(249)	370
INVESTMENT IN CABLE PROPERTIES:							
Property, plant and equipment, net	—	33	—	—	6,864	—	6,897
Franchises	—	—	—	—	5,288	—	5,288
Customer relationships, net	—	—	—	—	1,704	—	1,704
Goodwill	—	—	—	—	954	—	954
Total investment in cable properties, net	—	33	—	—	14,810	—	14,843
CC VIII PREFERRED INTEREST	91	213	—	—	—	(304)	—
INVESTMENT IN SUBSIDIARIES	1,102	592	2,094	8,623	—	(12,411)	—
LOANS RECEIVABLE – RELATED PARTY	—	43	256	37	—	(336)	—
OTHER NONCURRENT ASSETS	—	158	—	90	144	—	392
Total assets	$ 1,272	$ 1,240	$ 2,358	$ 8,759	$ 15,276	$ (13,300)	$ 15,605
LIABILITIES AND SHAREHOLDERS'/MEMBER'S EQUITY							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	$ 12	$ 134	$ 74	$ 98	$ 835	$ —	$ 1,153
Payables to related party	—	—	—	—	249	(249)	—
Total current liabilities	12	134	74	98	1,084	(249)	1,153
LONG−TERM DEBT	—	—	1,692	6,567	4,597	—	12,856
LOANS PAYABLE – RELATED PARTY	—	—	—	—	336	(336)	—
DEFERRED INCOME TAXES	624	—	—	—	223	—	847
OTHER LONG−TERM LIABILITIES	227	4	—	—	109	—	340
Shareholders'/Member's equity	409	1,102	592	2,094	8,623	(12,411)	409
Noncontrolling interest	—	—	—	—	304	(304)	—
Total shareholders'/member's equity	409	1,102	592	2,094	8,927	(12,715)	409
Total liabilities and shareholders'/member's equity	$ 1,272	$ 1,240	$ 2,358	$ 8,759	$ 15,276	$ (13,300)	$ 15,605

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Balance Sheet
Successor
As of December 31, 2010

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	$ —	$ —	$ 3	$ 1	$ —	$ —	$ 4
Restricted cash and cash equivalents	—	—	—	—	28	—	28
Accounts receivable, net	—	1	—	—	246	—	247
Receivables from related party	57	182	8	8	—	(255)	—
Prepaid expenses and other current assets	30	20	—	—	27	—	77
Total current assets	87	203	11	9	301	(255)	356
INVESTMENT IN CABLE PROPERTIES:							
Property, plant and equipment, net	—	34	—	—	6,785	—	6,819
Franchises	—	—	—	—	5,257	—	5,257
Customer relationships, net	—	—	—	—	2,000	—	2,000
Goodwill	—	—	—	—	951	—	951
Total investment in cable properties, net	—	34	—	—	14,993	—	15,027
CC VIII PREFERRED INTEREST	79	183	—	—	—	(262)	—
INVESTMENT IN SUBSIDIARIES	1,887	1,409	3,296	5,946	—	(12,538)	—
LOANS RECEIVABLE – RELATED PARTY	—	42	248	252	—	(542)	—
OTHER NONCURRENT ASSETS	—	158	—	43	153	—	354
Total assets	$ 2,053	$ 2,029	$ 3,555	$ 6,250	$ 15,447	$ (13,597)	$ 15,737
LIABILITIES AND SHAREHOLDERS'/MEMBER'S EQUITY							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	$ 11	$ 138	$ 89	$ 40	$ 771	$ —	$ 1,049
Payables to related party	—	—	—	—	255	(255)	—
Total current liabilities	11	138	89	40	1,026	(255)	1,049
LONG−TERM DEBT	—	—	2,057	2,914	7,335	—	12,306
LOANS PAYABLE – RELATED PARTY	—	—	—	—	542	(542)	—
DEFERRED INCOME TAXES	340	—	—	—	228	—	568
OTHER LONG−TERM LIABILITIES	224	4	—	—	108	—	336
Shareholders'/Member's equity	1,478	1,887	1,409	3,296	5,946	(12,538)	1,478
Noncontrolling interest	—	—	—	—	262	(262)	—
Total shareholders'/member's equity	1,478	1,887	1,409	3,296	6,208	(12,800)	1,478
Total liabilities and shareholders'/member's equity	$ 2,053	$ 2,029	$ 3,555	$ 6,250	$ 15,447	$ (13,597)	$ 15,737

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
Successor
For the year ended December 31, 2011

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
REVENUES	$ 33	$ 124	$ —	$ —	$ 7,204	$ (157)	$ 7,204
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	—	—	—	—	3,138	—	3,138
Selling, general and administrative	33	124	—	—	1,426	(157)	1,426
Depreciation and amortization	—	—	—	—	1,592	—	1,592
Other operating expenses, net	—	—	—	—	7	—	7
	33	124	—	—	6,163	(157)	6,163
Income from operations	—	—	—	—	1,041	—	1,041
OTHER INCOME AND (EXPENSES):							
Interest expense, net	—	1	(192)	(381)	(391)	—	(963)
Reorganization items, net	—	—	—	—	(3)	—	(3)
Loss on extinguishment of debt	—	—	(6)	—	(137)	—	(143)
Other expense, net	—	—	—	—	(2)	—	(2)
Equity in income (loss) of subsidiaries	(87)	(116)	82	463	—	(342)	—
	(87)	(115)	(116)	82	(533)	(342)	(1,111)
Income (loss) before income taxes	(87)	(115)	(116)	82	508	(342)	(70)
INCOME TAX BENEFIT (EXPENSE)	(295)	(1)	—	—	(3)	—	(299)
Consolidated net income (loss)	(382)	(116)	(116)	82	505	(342)	(369)
Less: Net (income) loss – noncontrolling interest	13	29	—	—	(42)	—	—
Net income (loss)	$ (369)	$ (87)	$ (116)	$ 82	$ 463	$ (342)	$ (369)

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
Successor
For the year ended December 31, 2010

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
REVENUES	$ 33	$ 118	$ —	$ —	$ 7,059	$ (151)	$ 7,059
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	—	—	—	—	3,064	—	3,064
Selling, general and administrative	33	118	—	—	1,422	(151)	1,422
Depreciation and amortization	—	—	—	—	1,524	—	1,524
Other operating expenses, net	—	—	—	—	25	—	25
	33	118	—	—	6,035	(151)	6,035
Income from operations	—	—	—	—	1,024	—	1,024
OTHER INCOME AND (EXPENSES):							
Interest expense, net	—	1	(196)	(142)	(540)	—	(877)
Reorganization items, net	—	—	—	—	(6)	—	(6)
Loss on extinguishment of debt	—	—	—	(17)	(68)	—	(85)
Other income, net	2	—	—	—	—	—	2
Equity in income (loss) of subsidiaries	25	(2)	194	353	—	(570)	—
	27	(1)	(2)	194	(614)	(570)	(966)
Income (loss) before income taxes	27	(1)	(2)	194	410	(570)	58
INCOME TAX EXPENSE	(275)	—	—	—	(20)	—	(295)
Consolidated net income (loss)	(248)	(1)	(2)	194	390	(570)	(237)
Less: Net (income) loss – noncontrolling interest	11	26	—	—	(37)	—	—
Net income (loss)	$ (237)	$ 25	$ (2)	$ 194	$ 353	$ (570)	$ (237)

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
Successor
For the one month ended December 31, 2009

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
REVENUES	$ 7	$ 12	$ —	$ —	$ 572	$ (19)	$ 572
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	—	—	—	—	246	—	246
Selling, general and administrative	7	10	—	—	116	(17)	116
Depreciation and amortization	—	—	—	—	122	—	122
Other operating expenses, net	—	—	—	—	4	—	4
	7	10	—	—	488	(17)	488
Income from operations	—	2	—	—	84	(2)	84
OTHER INCOME AND (EXPENSES):							
Interest expense, net	—	—	(16)	(7)	(45)	—	(68)
Reorganization items, net	—	(2)	—	—	(3)	2	(3)
Other expense, net	(3)	—	—	—	—	—	(3)
Equity in income of subsidiaries	9	6	22	29	—	(66)	—
	6	4	6	22	(48)	(64)	(74)
Income before income taxes	6	6	6	22	36	(66)	10
INCOME TAX EXPENSE	(4)	—	—	—	(4)	—	(8)
Consolidated net income	2	6	6	22	32	(66)	2
Less: Net (income) loss – noncontrolling interest	—	3	—	—	(3)	—	—
Net income	$ 2	$ 9	$ 6	$ 22	$ 29	$ (66)	$ 2

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Operations
Predecessor
For the eleven months ended November 30, 2009

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
REVENUES	$ 29	$ 306	$ —	$ —	$ 6,183	$ (335)	$ 6,183
COSTS AND EXPENSES:							
Operating (excluding depreciation and amortization)	—	—	—	—	2,663	—	2,663
Selling, general and administrative	17	133	—	—	1,264	(150)	1,264
Depreciation and amortization	—	—	—	—	1,194	—	1,194
Impairment of franchises	—	—	—	—	2,163	—	2,163
Other operating income, net	—	—	—	—	(38)	—	(38)
	17	133	—	—	7,246	(150)	7,246
Income (loss) from operations	12	173	—	—	(1,063)	(185)	(1,063)
OTHER INCOME AND (EXPENSES):							
Interest expense, net	—	(204)	(233)	(68)	(515)	—	(1,020)
Gain (loss) due to Plan effects	(229)	7,400	(351)	—	(2)	—	6,818
Gain due to fresh start accounting adjustments	—	158	—	25	5,476	—	5,659
Reorganization items, net	(12)	(229)	(38)	(22)	(528)	185	(644)
Other income, net	—	—	—	—	(2)	—	(2)
Equity in income of subsidiaries	11,203	2,666	3,288	3,353	—	(20,510)	—
	10,962	9,791	2,666	3,288	4,429	(20,325)	10,811
Income before income taxes	10,974	9,964	2,666	3,288	3,366	(20,510)	9,748
INCOME TAX BENEFIT (EXPENSE)	390	—	—	—	(39)	—	351
Consolidated net income	11,364	9,964	2,666	3,288	3,327	(20,510)	10,099
Less: Net loss – noncontrolling interest	—	1,239	—	—	26	—	1,265
Net income	$ 11,364	$ 11,203	$ 2,666	$ 3,288	$ 3,353	$ (20,510)	$ 11,364

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
Successor
For the year ended December 31, 2011

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income (loss)	$ (382)	$ (116)	$ (116)	$ 82	$ 505	$ (342)	$ (369)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:							
Depreciation and amortization	—	—	—	—	1,592	—	1,592
Noncash interest expense	—	—	(38)	20	52	—	34
Loss on extinguishment of debt	—	—	6	—	137	—	143
Deferred income taxes	294	—	—	—	(4)	—	290
Equity in (income) losses of subsidiaries	87	116	(82)	(463)	—	342	—
Other, net	—	—	—	—	33	—	33
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:							
Accounts receivable	—	(5)	—	—	(20)	—	(25)
Prepaid expenses and other assets	1	(1)	—	—	1	—	1
Accounts payable, accrued expenses and other	1	(2)	(14)	58	(5)	—	38
Receivables from and payables to related party	(1)	9	(9)	(7)	8	—	—
Net cash flows from operating activities	—	1	(253)	(310)	2,299	—	1,737
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	—	—	—	—	(1,311)	—	(1,311)
Change in accrued expenses related to capital expenditures	—	—	—	—	57	—	57
Purchase of cable systems	—	—	—	—	(89)	—	(89)
Contribution to subsidiary	—	—	—	(2,837)	—	2,837	—
Distributions from subsidiary	528	3,645	1,311	650	—	(6,134)	—
Loans to subsidiaries	—	—	—	—	—	—	—
Other, net	—	—	—	—	(24)	—	(24)
Net cash flows from investing activities	528	3,645	1,311	(2,187)	(1,367)	(3,297)	(1,367)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Borrowings of long−term debt	—	—	—	3,640	1,849	—	5,489
Repayments of long−term debt	—	—	(332)	—	(4,740)	—	(5,072)
Borrowings (payments) loans payable − related parties	—	—	—	223	(223)	—	—
Payment for debt issuance costs	—	—	—	(54)	(8)	—	(62)
Purchase of treasury stock	(533)	(200)	—	—	—	—	(733)
Contributions from parent	—	—	—	—	2,837	(2,837)	—
Distributions to parent	—	(3,444)	(729)	(1,311)	(650)	6,134	—
Other, net	5	(2)	—	—	2	—	5
Net cash flows from financing activities	(528)	(3,646)	(1,061)	2,498	(933)	3,297	(373)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	—	(3)	1	(1)	—	(3)
CASH AND CASH EQUIVALENTS, beginning of period	—	—	3	1	28	—	32
CASH AND CASH EQUIVALENTS, end of period	$ —	$ —	$ —	$ 2	$ 27	$ —	$ 29

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
Successor
For the year ended December 31, 2010

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income (loss)	$ (248)	$ (1)	$ (2)	$ 194	$ 390	$ (570)	$ (237)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:							
Depreciation and amortization	—	—	—	—	1,524	—	1,524
Noncash interest expense	—	—	(35)	12	97	—	74
Loss on extinguishment of debt	—	—	—	15	66	—	81
Deferred income taxes	275	—	—	—	12	—	287
Equity in (income) losses of subsidiaries	(25)	2	(194)	(353)	—	570	—
Other, net	(2)	2	—	—	34	—	34
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:							
Prepaid expenses and other assets	(2)	4	—	—	20	—	22
Accounts payable, accrued expenses and other	—	—	70	31	25	—	126
Receivables from and payables to related party	(18)	(21)	(16)	(14)	69	—	—
Net cash flows from operating activities	(20)	(14)	(177)	(115)	2,237	—	1,911
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	—	—	—	—	(1,209)	—	(1,209)
Change in accrued expenses related to capital expenditures	—	—	—	—	8	—	8
Contribution to subsidiary	(45)	(77)	(5)	(1,697)	—	1,824	—
Distributions from subsidiary	6	36	172	251	—	(465)	—
Loans to subsidiaries	—	(30)	—	—	—	30	—
Other, net	—	—	—	—	31	—	31
Net cash flows from investing activities	(39)	(71)	167	(1,446)	(1,170)	1,389	(1,170)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Borrowings of long−term debt	—	—	—	2,600	515	—	3,115
Repayments of long−term debt	—	—	—	(826)	(3,526)	—	(4,352)
Repayments of preferred stock	(138)	—	—	—	—	—	(138)
Payment for debt issuance costs	—	—	—	(45)	(31)	—	(76)
Purchase of treasury stock	(6)	—	—	—	—	—	(6)
Contributions from parent	—	109	13	5	1,697	(1,824)	—
Distributions to parent	—	(36)	(6)	(172)	(251)	465	—
Borrowings from parent	—	—	—	—	30	(30)	—
Other, net	—	—	—	—	(6)	—	(6)
Net cash flows from financing activities	(144)	73	7	1,562	(1,572)	(1,389)	(1,463)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(203)	(12)	(3)	1	(505)	—	(722)
CASH AND CASH EQUIVALENTS, beginning of period	203	12	6	—	533	—	754
CASH AND CASH EQUIVALENTS, end of period	$ —	$ —	$ 3	$ 1	$ 28	$ —	$ 32

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
Successor
For the one month ended December 31, 2009

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income	$ 2	$ 6	$ 6	$ 22	$ 32	$ (66)	$ 2
Adjustments to reconcile net income to net cash flows from operating activities:							
Depreciation and amortization	—	—	—	—	122	—	122
Noncash interest expense	—	—	(5)	1	9	—	5
Deferred income taxes	4	—	—	—	3	—	7
Equity in losses of subsidiaries	(9)	(6)	(22)	(29)	—	66	—
Other, net	2	1	—	—	—	—	3
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:							
Accounts receivable	—	—	—	—	26	—	26
Prepaid expenses and other assets	—	—	—	—	2	—	2
Accounts payable, accrued expenses and other	(14)	(16)	21	6	19	—	16
Receivables from and payables to related party	—	18	—	—	(18)	—	—
Net cash flows from operating activities	(15)	3	—	—	195	—	183
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	—	—	—	—	(108)	—	(108)
Other, net	—	—	—	—	(3)	—	(3)
Net cash flows from investing activities	—	—	—	—	(111)	—	(111)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Repayments of long−term debt	—	—	—	—	(17)	—	(17)
Net cash flows from financing activities	—	—	—	—	(17)	—	(17)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15)	3	—	—	67	—	55
CASH AND CASH EQUIVALENTS, beginning of period	218	9	6	—	466	—	699
CASH AND CASH EQUIVALENTS, end of period	$ 203	$ 12	$ 6	$ —	$ 533	$ —	$ 754

(dollars in millions, except share or per share data or where indicated)

Charter Communications, Inc.
Condensed Consolidating Statement of Cash Flows
Predecessor
For the eleven months ended November 30, 2009

	Charter	Intermediate Holding Companies	CCH II	CCO Holdings	Charter Operating and Subsidiaries	Eliminations	Charter Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:							
Consolidated net income	$ 11,364	$ 9,964	$ 2,666	$ 3,288	$ 3,327	$ (20,510)	$ 10,099
Adjustments to reconcile net income to net cash flows from operating activities:							
Depreciation and amortization	—	—	—	—	1,194	—	1,194
Impairment of franchises	—	—	—	—	2,163	—	2,163
Noncash interest expense	—	11	9	2	20	—	42
(Gain) loss due to effects of Plan	229	(7,400)	351	—	2	—	(6,818)
Gain due to fresh start accounting adjustments	—	(158)	—	(25)	(5,476)	—	(5,659)
Noncash reorganization items, net	—	56	(8)	—	122	—	170
Deferred income taxes	(390)	—	—	—	32	—	(358)
Equity in income of subsidiaries	(11,203)	(2,666)	(3,288)	(3,353)	—	20,510	—
Other, net	—	(1)	—	1	35	—	35
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:							
Accounts receivable	—	—	—	—	(52)	—	(52)
Prepaid expenses and other assets	—	(12)	—	—	(24)	—	(36)
Accounts payable, accrued expenses and other	(18)	195	279	(6)	(658)	(136)	(344)
Receivables from and payables to related party, including deferred management fees	—	14	(8)	(10)	(21)	—	(25)
Net cash flows from operating activities	(18)	3	1	(103)	664	(136)	411
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of property, plant and equipment	—	—	—	—	(1,026)	—	(1,026)
Change in accrued expenses related to capital expenditures	—	—	—	—	(10)	—	(10)
Purchase of CC VIII interest	(150)	—	—	—	—	—	(150)
Purchase of CCH II notes and accrued interest	(1,112)	—	—	—	—	1,112	—
Contribution to subsidiary	(71)	(255)	(51)	(25)	—	402	—
Payments from subsidiaries	19	—	—	75	—	(94)	—
Other, net	—	—	—	—	(7)	—	(7)
Net cash flows from investing activities	(1,314)	(255)	(51)	50	(1,043)	1,420	(1,193)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Proceeds from Rights Offering	1,614	—	—	—	—	—	1,614
Repayments of long−term debt	(25)	—	—	—	(53)	(976)	(1,054)
Repayments to parent companies	—	(19)	—	—	(75)	94	—
Payments for debt issuance costs	(39)	—	—	—	—	—	(39)
Contributions from parent	—	275	51	51	25	(402)	—
Other, net	—	(2)	—	—	2	—	—
Net cash flows from financing activities	1,550	254	51	51	(101)	(1,284)	521
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	218	2	1	(2)	(480)	—	(261)
CASH AND CASH EQUIVALENTS, beginning of period	—	7	5	2	946	—	960
CASH AND CASH EQUIVALENTS, end of period	$ 218	$ 9	$ 6	$ —	$ 466	$ —	$ 699

EXHIBIT 10.21

CHARTER COMMUNICATIONS, INC.

EXECUTIVE INCENTIVE PERFORMANCE PLAN

Article I. Establishment And Purpose

1.1 Establishment of the Plan. Charter Communications, Inc. (the "Company") hereby establishes the Charter Communications, Inc. Executive Incentive Performance Plan (the "Plan").

1.2 Purpose. Section 162(m) of the Internal Revenue Code of 1986 limits to $1,000,000 the amount of an employer's deduction for a fiscal year relating to compensation for certain executive officers, with exceptions for specific types of compensation such as performance−based compensation.

This Plan is intended to provide for the payment of qualified performance−based compensation in the form of bonuses that is not subject to the Section 162(m) deduction limitation.

1.3 Effective Date. The effective date of the Plan is January 1, 2011, subject to approval of the material terms of the Plan by the Company's shareholders.

Article II. Definitions

2.1 Definitions. Whenever used herein, the following terms will have the meanings set forth below, unless otherwise expressly provided. When the defined meaning is intended, the term is capitalized.

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Committee" means the Section 162(m) Committee of the Board, or another committee appointed by the Board to serve as the administrator for the Plan, which committee at all times consists of persons who are "outside directors" as that term is defined in the regulations promulgated under Section 162(m) of the Code.

(d) "Company" means Charter Communications, Inc.

(e) "Employer" means the Company and any entity that is a subsidiary or affiliate of the Company.

(f) "Participant" for a Performance Period means an officer or other key employee who is designated by the Committee as a participant in the Plan for that Performance Period in accordance with Article III.

(g) “Target Award” shall mean the maximum amount that may be paid to a Participant as a bonus for a Performance Period if certain performance criteria are achieved in the Performance Period.

(h) “Performance Period” shall mean the fiscal year of the Company; or any other period

designated as a Performance Period by the Committee.

2.2. Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

Article III. Eligibility And Participation

3.1 Eligibility. The Participants in this Plan for any Performance Period shall be comprised of each employee of the Company who is a "covered employee" for purposes of Section 162(m) of the Code, or who may be such a covered employee as of the end of a tax year for which the Company would claim a tax deduction in connection payment of compensation to such employee, during such Performance Period and who is designated individually or by class to be a Participant for such Performance Period by the Committee at the time a Target Award is established for such employee.

3.2 Participation. Participation in the Plan will be determined annually by the Committee. Employees approved for participation will be notified of their selection as soon after approval as practicable.

3.3 Termination of Approval. The Committee may withdraw approval for a Participant's participation at any time. In the event of such withdrawal, the Employee concerned will cease to be a Participant as of the date of such withdrawal. The Employee will be notified of such withdrawal as soon as practicable following the Committee's action. A Participant who is withdrawn from participation under this Section will not receive any award for the Performance Period under this Plan.

Article IV. Performance Criteria

4.1 Target Awards. The Committee shall establish objective performance criteria for the Target Award of each Participant for each Performance Period in writing. Such formula shall be based upon one or more of the following criteria, individually or in combination, as determined by the Committee in its discretion shall determine: (a) adjusted EBITDA; (b) adjusted EBITDA less capital expenditures; (c) revenue; (d) pre−tax or after−tax return on equity; (e) earnings per share; (f) pre−tax or after−tax net income, as defined by the Committee; (g) business unit or departmental pre−tax or after−tax income; (h) book value per share; (i) market price per share; (j) relative performance to peer group companies; (k) expense management; (l) total return to stockholders; and (m) customer experience and customer service metrics, as the Committee in its discretion may approve. Such formula shall be sufficiently detailed and objective so that a third party having knowledge of the relevant performance results could calculate the bonus amount to be paid to the Participant pursuant to such Target Award formula.

Such Target Award shall be established in writing by the Committee no later than 90 days after the beginning of such Performance Period (but no later than the time prescribed by Section 162(m) of the Code or the regulations thereunder in order for the level to be considered pre−established).

4.2 Payment of Bonus. As a condition to the right of a Participant to receive any bonus under this Plan, the Committee shall first be required to certify in writing, by resolution of the Committee or other appropriate action, that the performance criteria of the Target Award have been achieved and that the bonus amount of such Target Award has been accurately determined in accordance with the provisions of this Plan. For this purpose, approved minutes of a meeting of the Committee in which the certification is made shall be treated as written certification.

The Committee shall have the right to reduce the amount payable pursuant to a Target Award of a Participant in its sole discretion at any time and for any reason before the bonus is payable to the Participant, based on such criteria as it shall determine. Notwithstanding any contrary provision of this Plan, the Committee may not adjust upwards the amount payable pursuant to a Target Award subject to this Plan, nor may it waive the achievement of the performance criteria established pursuant to this Plan for the applicable Performance Period.

The bonus amount so determined by the Committee shall be paid to the Participant as soon as administratively practical after the amount of the bonus had been determined and documented as provided above. The bonus payable under this Plan shall be the sole bonus payable to each Participant with respect to a Performance Period.

The amount payable pursuant to Target Award may be paid in the form of cash, an award of Restricted Stock or other benefit under the Charter Communications, Inc. Amended and Restated 2009 Stock Incentive Plan, or any other form of payment approved by the Committee; provided that the value of such payments at the time the payment, credit or award is made, does not exceed the dollar amount of the Target Award.

4.3 Maximum Bonus. The maximum bonus amount payable to each Participant for any calendar year Performance Period shall be $10,000,000.

The Committee shall have the power to impose such other restrictions on Target Awards and bonuses subject to this Plan as it may deem necessary or appropriate to ensure that such bonuses satisfy all requirements for "performance−based compensation" within the meaning of Section 162(m) of the Code, the regulations promulgated thereunder, and any successors thereto.

Article V. Rights Of Participation

5.1. Employment. Nothing in this Plan will interfere with or limit in any way the right of the Employer to terminate a Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of an Employer.

5.2 Nontransferability. No right or interest of any Participant in this Plan will be assignable or transferable or subject to any lien or encumbrance, whether directly or indirectly, by operation of law or otherwise, including without limitation execution, levy, garnishment, attachment, pledge, and bankruptcy.

5.3 No Funding. Nothing contained in this Plan and no action taken hereunder will create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant or beneficiary or any other person. Amounts due under this Plan at any time and from time to time will be paid from the general funds of the Company. To the extent that any person acquires a right to receive payments hereunder, such right shall be that of an unsecured general creditor of the Company.

5.4 No Rights Prior to Award Approval. No Participant will have any right to payment of a bonus pursuant to this Plan unless and until it has been determined and approved under Section 4.2.

Article VI. Administration

6.1 Administration. This Plan will be administered by the Committee according to any rules that it may establish from time to time that are not inconsistent with the provisions of the Plan.

6.2 Expenses of the Plan. The expenses of administering the Plan will be borne by the Company.

Article VII. Requirements Of Law

7.1 Governing Law. The Plan will be construed in accordance with and governed by the laws of the State of Missouri.

7.2 Withholding Taxes. The Company has the right to deduct from all payments under this Plan any Federal, State, or local taxes required by law to be withheld with respect to such payments.

Article VIII. Amendment And Termination

8.1 Amendment and Termination. The Committee, in its sole and absolute discretion may modify or amend any or all of the provisions of this Plan at any time and from time to time, without notice, and may suspend or terminate it entirely.

Article IX. Shareholder Approval

9.1 Shareholder Approval. This Plan shall be subject to approval by the affirmative vote of a majority of the shares cast in a separate vote of the shareholders of the Company at the 2011 Annual Meeting of Shareholders, and such shareholder approval shall be a condition to the right of a Participant to receive any bonus hereunder.

The undersigned hereby certifies that this Plan was duly adopted by the Board at its meeting on December 15, 2010 and as amended as of February 22, 2012.

By: _____

Richard R. Dykhouse, Senior Vice President, General Counsel and Corporate Secretary

Exhibit 10.33

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), dated and effective as March of 1, 2010 (the "Effective Date") is made by and between CHARTER COMMUNICATIONS, INC., a Delaware corporation (the "Company"), and James M. Heneghan (the "Executive").

RECITALS:

WHEREAS, the Executive and the Company have previously entered into that certain Employment Agreement dated August 1, 2007, as amended (the "Old Employment Agreement") and the parties desire to amend and restate in its entirety the Old Employment Agreement;

WHEREAS, it is the desire of the Company to assure itself of the services of Executive by engaging Executive as its Senior Vice President, Charter Media and the Executive desires to serve the Company on the terms herein provided;

WHEREAS, Executive's agreement to the terms and conditions of Sections 17, 18 and 19 are a material and essential condition of Executive's employment with the Company hereafter under the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1.Certain Definitions.

(a)"Allen" shall mean Paul G. Allen (and his heirs or beneficiaries under his will(s), trusts or other instruments of testamentary disposition), and any entity or group over which Paul G. Allen has Control and that constitutes a Person as defined herein. For the purposes of this definition, "Control" means the power to direct the management and policies of an entity or to appoint or elect a majority of its governing board.

(b)"Annual Base Salary" shall have the meaning set forth in Section 5.

(c)"Board" shall mean the Board of Directors of the Company.

(d)"Bonus" shall have the meaning set forth in Section 6.

(e)The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i)Executive's breach of a material obligation (which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach) or representation under this Agreement or breach of any fiduciary duty to the Company which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach; or any act of fraud or knowing material misrepresentation or concealment upon, to or from the Company or the Board;

(ii)Executive's failure to adhere in any material respect to (i) the Company's Code of

Conduct in effect from time to time and applicable to officers and/or employees generally, or (ii) any written Company policy, if such policy is material to the effective performance by Executive of the Executive's duties under this Agreement, and if Executive has been given a reasonable opportunity to cure this failure to comply within a period of time which is reasonable under the circumstances but not more than the thirty (30) day period after written notice of such failure is provided to Executive; provided that if Executive cures this failure to comply with such a policy and then fails again to comply with the same policy, no further opportunity to cure that failure shall be required;

(iii)Executive's misappropriation (or attempted misappropriation) of a material amount of the Company's funds or property;

(iv)Executive's conviction of, the entering of a guilty plea or plea of nolo contendere or no contest (or the equivalent), or entering into any pretrial diversion program or agreement or suspended imposition of sentence, with respect to either a felony or a crime that adversely affects or could reasonably be expected to adversely affect the Company or its business reputation; or the institution of criminal charges against Executive, which are not dismissed within sixty (60) days after institution, for fraud, embezzlement, any felony offense involving dishonesty or constituting a breach of trust or moral turpitude;

(v)Executive's admission of liability of, or finding of liability, for a knowing and deliberate violation of any "Securities Laws." As used herein, the term "Securities Laws" means any federal or state law, rule or regulation governing generally the issuance or exchange of securities, including without limitation the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

(vi)conduct by Executive in connection with Executive's employment that constitutes gross neglect of any material duty or responsibility, willful misconduct, or recklessness which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach;

(vii)Executive's illegal possession or use of any controlled substance, or excessive use of alcohol at a work function, in connection with Executive's duties, or on Company premises; "excessive" meaning either repeated unprofessional use or any single event of consumption giving rise to significant intoxication or unprofessional behavior;

(viii)Executive's willful or grossly negligent commission of any other act or failure to act in connection with the Executive's duties as an executive of the Company which causes or reasonably may be expected (as of the time of such occurrence) to cause substantial economic injury to or substantial injury to the business reputation of the Company or any subsidiary or affiliate of the Company, including, without limitation, any material violation of the Foreign Corrupt Practices Act, as described herein below.

If Executive commits or is charged with committing any offense of the character or type specified in subparagraphs 1(e)(iv), (v) or (viii) above, then the Company at its option may suspend the Executive with or without pay. If the Executive subsequently is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any such offense (or any matter that gave rise to the suspension), the Executive shall immediately repay any compensation paid in cash hereunder from the date of the suspension. Notwithstanding anything to the contrary in any stock option or equity incentive plan or award agreement, all vesting and all lapsing of

restrictions on restricted shares shall be tolled during the period of suspension and all unvested options and restricted shares for which the restrictions have not lapsed shall terminate and not be exercisable by or issued to Executive if during or after such suspension the Executive is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any offense specified in subparagraphs 1(e)(iv), (v) or (viii) above or any matter that gave rise to the suspension.

(f) "Change of Control" shall mean the occurrence of any of the following events:

(i)an acquisition of any voting securities of the Company by any "Person" or "Group" (as those terms are used for purposes of Section 13(d) or 14(d) of the Exchange Act of 1934, amended (the "Exchange Act")), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d−3 promulgated under the Exchange Act) of thirty−five percent (35%) or more of the combined voting power of the Company's then outstanding voting securities; provided, however, that voting securities which are acquired in a "Non−Control Transaction" (as hereinafter defined) assuming that the acquisition of voting securities for this purpose qualifies as Merger (as hereinafter defined) shall not constitute a Change of Control; and provided further that an acquisition of Beneficial Ownership of less than fifty percent (50%) of the Company's then outstanding voting securities by any Equity Backstop Party (as defined in the Joint Plan) or the Allen Entities (as defined in the Joint Plan) shall not be considered to be a Change of Control under this clause (i);

(ii)the individuals who, as of immediately after the effective date of the Company's Chapter 11 plan of reorganization (the "Emergence Date"), are members of the Board (the "Incumbent Board"), cease for any reason to constitute a majority of the Board; provided, however, that if the election, or nomination for election by the Company's common stockholders, of any new director (excluding any director whose nomination or election to the Board is the result of any actual or threatened proxy contest or settlement thereof) was approved by a vote of at least two−thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board;

(iii)the consummation of a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a Non−Control Transaction. A "Non−Control Transaction" shall mean a Merger where: (1) the stockholders of the Company, immediately before such Merger own directly or indirectly immediately following such Merger more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the entity resulting from such Merger or its controlling parent entity (the "Surviving Entity"), (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors (or similar governing body) of the Surviving Entity, and (3) no Person other (X) than the Company, its subsidiaries or affiliates or any of their respective employee benefit plans (or any trust forming a part thereof) that, immediately prior to such Merger was maintained by the Company or any subsidiary or affiliate of the Company, or (Y) any Person who, immediately prior to such Merger had Beneficial Ownership of thirty−five percent (35%) or more of the then outstanding voting securities of the Company, has Beneficial Ownership of thirty−five percent (35%) or more of the combined voting power of the outstanding voting securities or common stock of the Surviving Entity; provided that this clause (Y) shall not trigger a Change of Control solely because, after such Merger, any Equity Backstop Party or any Allen Entity has Beneficial Ownership of more than thirty−five percent (35%) but less than fifty percent (50%) of the combined voting power of the outstanding voting securities or common stock of the Surviving Entity;

(iv)complete liquidation or dissolution of the Company (other than where assets of the Company are transferred to or remain with subsidiaries of the Company); or

(v)the sale or other disposition of all or substantially all of the assets of the Company and its direct and indirect subsidiaries on a consolidated basis, directly or indirectly, to any Person (other than a transfer to a subsidiary or affiliate of the Company unless, such sale or disposition constitutes a Non−Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a subsidiary or affiliate of the Company or any other assets).

Notwithstanding the foregoing a Change of Control shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the "Joint Plan."

(g)"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(h)"Committee" shall mean either the Compensation and Benefits Committee of the Board, or a Subcommittee of such Committee duly appointed by the Board or the Committee or any successor to the functions thereof.

(i)"Company" shall have the meaning set forth in the preamble hereto.

(j)"Company Stock" shall mean the common stock of the Company issued in connection with the Company's emergence from its Chapter 11 reorganization and any stock received in exchange therefor.

(k)"Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death and (ii) if Executive's employment is terminated pursuant to Section 14(a)(ii)−(vi), the date of termination of employment, as defined in 409(A) regulations under the Code.

(l)For purposes of this Agreement, Executive will be deemed to have a "Disability" if, due to illness, injury or a physical or medically recognized mental condition, (a) Executive is unable to perform Executive's duties under this Agreement with reasonable accommodation for 120 consecutive days, or 180 days during any twelve month period, as determined in accordance with this Section, or (b) Executive is considered disabled for purposes of receiving / qualifying for long term disability benefits under any group long term disability insurance plan or policy offered by Company in which Executive participates. The Disability of Executive will be determined by a medical doctor selected by written agreement of Company and Executive upon the request of either party by notice to the other, or (in the case of and with respect to any applicable long term disability insurance policy or plan) will be determined according to the terms of the applicable long term disability insurance policy / plan. If Company and Executive cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Executive has a Disability. The determination of the medical doctor selected under this Section will be binding on both parties. Executive must submit to a reasonable number of examinations by the medical doctor making the determination of Disability under this Section, and to other specialists designated by such medical doctor, and Executive hereby authorizes the disclosure and release to Company of such determination and all supporting medical records. If Executive is not legally competent, Executive's legal guardian or duly authorized attorney−

in−fact will act in Executive's stead under this Section for the purposes of submitting Executive to the examinations, and providing the authorization of disclosure, required under this Section.

(m)“Executive” shall have the meaning set forth in the preamble hereto.

(n)“Good Reason” shall mean any of the events described herein that occur without Executive's prior written consent: (i) any reduction in Executive's Annual Base Salary, Target Bonus Percentage, or title except as permitted hereunder, (ii) any failure to pay Executive's compensation hereunder when due; (iii) any material breach by the Company of a term hereof; (iv) relocation of Executive's primary workplace to a location that is more than fifty (50) miles from the office where Executive is then assigned to work as Executive's principal office; (v) any change in reporting structure such that Executive no longer reports directly to the officer (by function) to whom Executive reports at the time of the execution of this Agreement (or equivalent position if the Company has changed functional responsibilities of its senior executive staff) (in each case “(i)” through “(v)” only if Executive objects in writing within 30 days after being informed of such events and unless Company retracts and/or rectifies the claimed Good Reason within 30 days following Company's receipt of timely written objection from Executive); (vi) if within six months after a Change of Control, Executive has not received an offer from the surviving company to continue in an equivalent position in terms of title, responsibility and compensation (except that the value of equity−based compensation after such Change of Control need only be commensurate with the value of equity−based compensation given to executives with equivalent positions in the surviving company, if any) as set herein; (vii) the Company's decision not to renew this Agreement at the end of its term, or (viii) the failure of a successor to the business of the Company to assume the Company's obligations under this Agreement in the event of a Change of Control during its term.

(o)“Notice of Termination” shall have the meaning set forth in Section 14(b).

(p)“Options” shall have the meaning set forth in Section 7.

(q)“Performance Unit” and “Performance Shares” shall have the meaning set forth in Section 9 hereof.

(r)“Person” shall have the meaning set forth in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934.

(s)“Plan” shall mean the 2009 Stock Incentive Plan as amended by the Company from time to time.

(t)“Restricted Shares” shall have the meaning set forth in Section 8.

(u)“Term” shall have the meaning set forth in Section 2.

(v)“Voluntary” and “Voluntarily” in connection with Executive's termination of employment shall mean a termination of employment resulting from the initiative of the Executive, excluding a termination of employment attributable to Executive's death or Disability. A resignation by Executive that is in response to a communicated intent by the Company to discharge Executive other than for Cause is not considered to be “Voluntary” and shall be considered to be a termination by the Company for the purposes of this Agreement.

(w)“Joint Plan” means the joint plan of reorganization of the Company, Charter Investment, Inc. and the Company's direct and indirect subsidiaries filed pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101−1532s, on March 27, 2009.

2.Employment Term. The Company hereby employs the Executive, and the Executive hereby accepts employment, under the terms and conditions hereof, for the period (the “Term”) beginning on the Effective Date hereof and terminating upon the earlier of (i) the second anniversary of the Effective Date (the “Initial Term”) and (ii) the Date of Termination as defined in Section 1(k), and, if not terminated earlier, will be automatically renewed at the end of its Initial Term and on each anniversary thereafter for a period of one (1) year unless either party shall give written notice of cancellation to the other party not later than ninety (90) days prior to the end of the Initial Term or anniversaries thereof.

3. Position and Duties. Executive shall serve as Senior Vice President, Charter Media, initially reporting to the Chief Operating Officer, but with such other reporting relationships as shall be determined by the Chief Executive Officer from time to time, with such responsibilities, duties and authority as are customary for such role, including, but not limited to, overall management responsibility for Charter Media in the Company. Executive shall devote all necessary business time and attention, and employ Executive's reasonable best efforts, toward the fulfillment and execution of all assigned duties, and the satisfaction of defined annual and/or longer−term performance criteria.

4. Place of Performance. In connection with Executive's employment during the Term, Executive's initial primary workplace shall be the Company's offices in or near Denver, Colorado, except for necessary travel on the Company's business.

5. Annual Base Salary. During the Term, Executive shall receive a base salary at a rate not less than $400,223.15 per annum (the “Annual Base Salary”), less standard deductions, paid in accordance with the Company's general payroll practices for executives, but no less frequently than monthly. The Annual Base Salary shall compensate Executive for any official position or directorship of a subsidiary or affiliate that Executive is asked to hold in the Company or its subsidiaries or affiliates as a part of Executive's employment responsibilities. No less frequently than annually during the Term, the Committee, on advice of the Company's Chief Executive Officer, shall review the rate of Annual Base Salary payable to Executive, and may, in its discretion, increase the rate of Annual Base Salary payable hereunder; provided, however, that any increased rate shall thereafter be the rate of “Annual Base Salary” hereunder.

6. Bonus. Except as otherwise provided for herein, for each fiscal year or other period consistent with the Company's then−applicable normal employment practices during which Executive is employed hereunder on the last day (the “Bonus Year”), Executive shall be eligible to receive a bonus in an amount up to 65% of Executive's Annual Base Salary (the “Bonus” and bonuses at such percentage of Annual Base Salary being the “Target Bonus”) pursuant to, and as set forth in, the terms of the Executive Bonus Plan as such Plan may be amended from time to time, plus such other bonus payments, if any, as shall be determined by the Committee in its sole discretion, with such Bonus and other bonuses being paid on or before March 15 of the year next following the Bonus Year.

7. Stock Options. The Committee may, in its discretion, grant to Executive options to purchase shares of Company Stock (all of such options, collectively, the “Options”) pursuant to the terms of the Plan, any successor plan and an associated Stock Option Agreement.

8. Restricted Shares. The Committee may, in its discretion, grant to Executive restricted shares of Company Stock (collectively, the “Restricted Shares”), which shall be subject to restrictions on their sale as set forth in the Plan and an associated Restricted Shares Grant Letter.

9. Performance Share Units. The Committee may, in its discretion, grant to Executive performance share units subject to performance vesting conditions (collectively, the "Performance Units"), which shall be subject to restrictions on their sale as set forth in the Plan and an associated Performance Unit Grant Letter.

10. Other Bonus Plans. The Committee may, in its discretion, grant to Executive a right to participate in any other bonus or retention plan that the Committee may decide to establish for executives, but nothing herein shall require the Committee to do so.

11. Benefits. Executive shall be entitled to receive such benefits and to participate in such employee group benefit plans, including life, health and disability insurance policies, and financial planning services, and other perquisites and plans as are generally provided by the Company to its senior executives of comparable level and responsibility in accordance with the plans, practices and programs of the Company, as amended from time to time.

12. Expenses. The Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in connection with the performance of Executive's duties as an employee of the Company in accordance with the Company's generally applicable policies and procedures. Such reimbursement is subject to the submission to the Company by Executive of appropriate documentation and/or vouchers in accordance with the customary procedures of the Company for expense reimbursement, as such procedures may be revised by the Company from time to time hereafter. In no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred.

13. Vacations. Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time, provided that, in no event shall Executive be entitled to less than three (3) weeks vacation per calendar year. Executive shall also be entitled to paid holidays and personal days in accordance with the Company's practice with respect to same as in effect from time to time.

14. Termination.

(a) Executive's employment hereunder may be terminated by the Company, on the one hand, or Executive, on the other hand, as applicable, without any breach of this Agreement, under the following circumstances:

(i) Death. Executive's employment hereunder shall automatically terminate upon Executive's death.

(ii) Disability. If Executive has incurred a Disability, the Company may give Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 14th day after delivery of such notice to Executive, provided that, within the 14 days after such delivery, Executive shall not have returned to full−time performance of Executive's duties. Executive may provide notice to the Company of Executive's resignation on account of a bona fide Disability at any time.

(iii) Cause. The Company may terminate Executive's employment hereunder for Cause effectively immediately upon delivery of notice to Executive, taking into account any procedural requirements set forth under Section 1(e) above.

(iv) Good Reason. Executive may terminate Executive's employment herein for Good Reason upon (i) satisfaction of any advance notice and other procedural requirements set forth under

Section 1(n) above for any termination pursuant to Section 1(n)(i) through (v) or (ii) at least 30 days' advance written notice by the Executive for any termination pursuant to Section 1(n)(vi) through (viii).

Notwithstanding the foregoing Good Reason shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the Joint Plan.

(v) Without Cause. The Company may terminate Executive's employment hereunder without Cause upon at least 30 days' advance written notice to the Executive.

(vi) Resignation Without Good Reason. Executive may resign Executive's employment without Good Reason upon at least fourteen (14) days' written notice to the Company.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 14 (other than pursuant to Sections 14(a)(i)) shall be communicated by a written notice (the "Notice of Termination") to the other party hereto, indicating the specific termination provision in this Agreement relied upon, setting forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and specifying a Date of Termination which notice shall be delivered within the applicable time periods set forth in subsections 14(a)(ii)−(vi) above (the "Notice Period"); provided that, the Company may pay to Executive all Annual Base Salary, benefits and other rights due to Executive during such Notice Period instead of employing Executive during such Notice Period.

(c) Resignation from Representational Capacities. Executive hereby acknowledges and agrees that upon Executive's termination of employment with the Company for whatever reason, Executive shall be deemed to have, and shall have in fact, effectively resigned from all executive, director, offices, or other positions with the Company or its affiliates at the time of such termination of employment, and shall return all property owned by the Company and in Executive's possession, including all hardware, files and documents, at that time.

(d) Termination in Connection with Change of Control. If Executive's employment is terminated by the Company without Cause either upon or within thirty days before or thirteen (13) months after a Change of Control, or prior to a Change of Control at the request of a prospective purchaser whose proposed purchase would constitute a Change of Control upon its completion, such termination shall be deemed to have occurred immediately before such Change of Control for purposes of this Agreement and the Plan.

15. Termination Pay

(a) Effective upon the termination of Executive's employment, Company will be obligated to pay Executive (or, in the event of Executive's death, the Executive's designated beneficiary as defined below) only such compensation as is provided in this Section 15, except to the extent otherwise provided for in any Company stock incentive, stock option or cash award plan (including, among others, the Plan), approved by the Board. For purposes of this Section 15, Executive's designated beneficiary will be such individual beneficiary or trust, located at such address, as Executive may designate by notice to Company from time to time or, if Executive fails to give notice to Company of such a beneficiary, Executive's estate. Notwithstanding the preceding sentence, Company will have no duty, in any circumstances, to attempt to open an estate on behalf of Executive, to determine whether any beneficiary designated by Executive is alive or to ascertain the address of any such beneficiary, to determine the existence of any trust, to determine whether any person purporting to act as Executive's personal representative (or the trustee of a trust established by Executive) is duly authorized to act in that capacity, or to locate or attempt to locate any beneficiary,

personal representative, or trustee.

(b) Termination by Executive for Good Reason or by Company without Cause. If prior to expiration of the Term, Executive terminates his or her employment for Good Reason, or if the Company terminates Executive's employment other than for Cause or Executive's death or Disability, Executive will be entitled to receive, subject to the conditions of this Agreement, the following:

(i) (A) all Annual Base Salary and Bonus duly payable under the applicable plan for performance periods ending prior to the Date of Termination, but unpaid as of the Date of Termination, plus (B) in consideration for Executive's obligations set forth in Section 19 hereof, an amount equal to one (1) times the Executive's then−current rate of Annual Base Salary and Target Bonus, which total sum shall be payable immediately following the Date of Termination in twenty−six (26) equal bi−weekly installments in accordance with the Company's normal payroll practices commencing with the next payroll date immediately following the 30 day anniversary of the Date of Termination, provided that, if a Change of Control occurs (or is deemed pursuant to Section 14(d) hereof to have occurred after such termination) during such twelve (12) month period (and such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code), any amounts remaining payable to Executive hereunder shall be paid in a single lump sum immediately upon such Change of Control.

(ii) if Executive's employment is terminated by the Company without Cause either upon or within thirty days before or thirteen (13) months after a Change of Control, or prior to a Change of Control at the request of a prospective purchaser whose proposed purchase would constitute a Change of Control upon its completion (and such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code), the Company shall treat as earned all unvested Performance Units for which the performance term has not expired as of such Change of Control at the rate calculated pursuant to the Plan and the applicable Grant Letter, and shall immediately convert those Units into Restricted Shares and accelerate as of the Date of Termination the removal of restrictions on such shares.

(iii) all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the Date of Termination which are payable under and in accordance with this Agreement, which amount will be paid within thirty (30) days after the submission by Executive of properly completed reimbursement requests on the Company's standard forms, provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred;

(iv) a lump sum payment (net after deduction of taxes and other required withholdings) equal to twelve (12) times the monthly cost, at the time Executive's employment terminated, for Executive to receive under COBRA the paid coverage for health, dental and vision benefits then being provided for Executive at the Company's cost at the time Executive's employment terminated. This amount will be paid on the next payroll date immediately following the 30 day anniversary of the Date of Termination and will not take into account future increases in costs during the applicable time period; and

(v) notwithstanding anything to the contrary in any award agreement, Executive shall be deemed to be actively employed during the twelve (12) month period following termination of employment for purposes of vesting of all stock options, performance units and restricted stock;

provided that, if a Change of Control occurs (or is deemed pursuant to Section 14(d) hereof to have occurred after such termination) within such period, all remaining stock options that would have vested in the twelve (12) month period shall vest, and all remaining restricted stock and performance units whose restrictions would have lapsed in the twelve (12) month period shall have their restrictions lapse immediately upon such Change of Control; provided, however, that with respect to any equity−based compensation awards subject to Section 409A of the Code (as determined by independent tax counsel retained by the Company), vesting and/or the lapse of restrictions will only be accelerated if such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code, or the first subsequent time at which such distribution may be made in compliance with Section 409A of the Code; and

(vi) pay the cost of up to twelve (12) months, as required, of executive−level outplacement services (which provides as part of the outplacement the use of an office and secretarial support as near as reasonably practicable to Executive's residence) provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred.

(c) The Executive shall not be required to mitigate the amount of any payments provided in Section 15, by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 15 be reduced by any compensation earned by Executive as a result of employment by another company or business, or by profits earned by Employee from any other source at any time before or after the date of Termination, so long as Executive is not in breach of the Agreement.

(d) Termination by Executive without Good Reason or by Company for Cause. If prior to the expiration of the Term or thereafter, Executive Voluntarily terminates Executive's employment prior to expiration of the Term without Good Reason or if Company terminates this Agreement for Cause, Executive will be entitled to receive Executive's then−existing Annual Base Salary only through the date such termination is effective in accordance with regular payroll practices and will be reimbursed for all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the date of termination which are payable under and in accordance with this Agreement; any unvested options and shares of restricted stock shall terminate as of the date of termination unless otherwise provided for in any applicable plan or award agreement; and Executive shall be entitled to no other compensation, bonus, payments or benefits except as expressly provided in this paragraph.

(e) Termination upon Disability or Death. If Executive's employment shall terminate by reason of Executive's Disability (pursuant to Section 14(a)(ii)) or death (pursuant to Section 14(a)(i)), the Company shall pay to Executive, in a lump sum cash payment following the Date of Termination, all unpaid Annual Base Salary through the Date of Termination in accordance with regular payroll practices and the Bonus previously earned for a performance period ending prior to the Date of Termination, but unpaid as of the Date of Termination, and the pro rata portion of the Bonus for such year (when and as such Bonuses are paid to other senior executives of the Company) for the Performance Period in which the termination occurred. In the case of Disability, if there is a period of time during which Executive is not being paid Annual Base Salary and not receiving long−term disability insurance payments, the Company shall make interim payments equal to such unpaid disability insurance payments to Executive until commencement of disability insurance payments; provided that, to the extent required to avoid the tax consequences of Section 409A of the Code, as determined by independent tax counsel, the first payment shall cover all payments scheduled to be made to Executive during the first six (6) months after the date Executive's employment terminates, and the first such payment shall be delayed until the day that is six (6) months after the date Executive's employment terminates.

(f) Benefits. Except as otherwise required by law, Executive's accrual of, and participation in plans providing for, the Benefits will cease at the effective Date of the Termination of employment.

(g) Conditions To Payments. To be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 15(b)(i) and 15(e), Executive must comply with the provisions of Sections 17, 18 and 19. In addition, to be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 15(b) and 15(e) Executive (or Executive's executor and personal representatives in case of death) must execute and deliver to Company, and comply with, an agreement, in form and substance reasonably satisfactory to Company, effectively releasing and giving up all claims Executive may have against Company or any of its subsidiaries or affiliates (and each of their respective controlling shareholders, employees, directors, officers, plans, fiduciaries, insurers and agents) arising out of or based upon any facts or conduct occurring prior to that date. The agreement will be prepared by Company, will be based upon the standard form (if any) then being utilized by Company for executive separations when severance is being paid, and will be provided to Executive at the time Executive's employment is terminated or as soon as administratively practicable thereafter (not to exceed five (5) business days). The agreement will require Executive to consult with Company representatives, and voluntarily appear as a witness for trial or deposition (and to prepare for any such testimony) in connection with, any claim which may be asserted by or against Company, any investigation or administrative proceeding, any matter relating to a franchise, or any business matter concerning Company or any of its transactions or operations. It is understood that the final document may not contain provisions specific to the release of a federal age discrimination claim if Executive is not at least forty (40) years of age, and may be changed as Company's chief legal counsel considers necessary and appropriate to enforce the same, including provisions to comply with changes in applicable laws and recent court decisions. Payments under and/or benefits provided by Section 15 will not continue to be made unless and until Executive executes and delivers that agreement to Company within twenty−one (21) days after delivery of the document (or such lesser time as Company's chief legal counsel may specify in the document) and all conditions to the effectiveness of that agreement and the releases contemplated thereby have been satisfied (including without limitation the expiration of any applicable revocation period without revoking acceptance).

(h) Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such expiration, subject to the terms of any agreement containing a general release provided by Executive.

(i) Definitions. For purposes of this Section 15, the terms “termination of employment” or “terminate” when used in the context of termination of employment shall means separation from service with the Company and its affiliates as the terms “separation from service” and “affiliate” are defined in Section 409A of the Code or the regulations thereunder.

(j) Notwithstanding anything to the contrary in this Section 15, any of the benefits described in this Section 15 that are due to be paid or awarded during the first six−(6) months after the Date of Termination shall, to the extent required to avoid the additional taxes and penalties imposed under Section 409A of the Code (as determined by independent tax counsel), be suspended for six months and paid on the day after the sixth month anniversary of the Date of Termination.

16. Excess Parachute Payment.

(a) Anything in this Agreement or the Plan to the contrary notwithstanding, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of Executive by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is

or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) to the Safe Harbor Amount (as defined below) if and to the extent that a reduction in the Total Payments would result in Executive retaining a larger amount, on an after−tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Executive received the entire amount of such Total Payments in accordance with their existing terms (taking into account federal, state, and local income and employment taxes and the Excise Tax). For purposes of this Agreement, the term “Safe Harbor Amount” means the largest portion of the Total Payments that would result in no portion of the Total Payments being subject to the Excise Tax. Unless Executive shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non−cash payments in such order as Executive shall determine; provided that Executive may not so elect to the extent that, in the determination of the Determining Party (as defined herein), such election would cause Executive to be subject to the Excise Tax. Any notice given by Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Total Payments shall be reduced as provided in Section 16(a) and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by Company from among the ten largest accounting firms in the United States or by qualified independent tax counsel (the “Determining Party”); provided that, Executive shall be given advance notice of the Determining Party selected by the Company, and shall have the opportunity to reject to the selection, within two business days of being notified of the selection, on the basis of that Determining Party's having a conflict of interest or other reasonable basis, in which case the Company shall select an alternative auditing firm among the ten largest accounting firms in the United States or alternative independent qualified tax counsel, which shall become the Determining Party. Such Determining Party shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Executive within ten (10) days of the termination of Executive's employment or at such other time mutually agreed by the Company and Executive. If the Determining Party determines that no Excise Tax is payable by Executive with respect to the Total Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and Executive. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination as to the extent of the reduction, if any, pursuant to Section 16(a), or to have such Determination reviewed by another accounting firm selected by the Company, at the Company's expense. If the two accounting firms do not agree, a third accounting firm shall be jointly chosen by the Executive Party and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and Executive.

(c) If, notwithstanding any reduction described in this Section 16, the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of any of the Total Payments or otherwise, then Executive shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination, a portion of the Total Payments equal to the “Repayment Amount.” The Repayment Amount with respect to the payment of benefits shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive's net after−tax proceeds with respect to the Total Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Payment) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in Executive's net after−tax proceeds with respect to the Total Payments being maximized. If the

Excise Tax is not eliminated pursuant to this paragraph, the Executive shall pay the Excise Tax.

(d) Notwithstanding any other provision of this Section 16, if (i) there is a reduction in the Total Payments as described in this Section 16, (ii) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive's net after−tax proceeds (calculated as if Executive's benefits had not previously been reduced), and (iii) Executive pays the Excise Tax, then the Company shall pay to Executive those payments or benefits which were reduced pursuant to this Section 16 as soon as administratively possible after Executive pays the Excise Tax (but not later than March 15 following the calendar year of the IRS determination) so that Executive's net after−tax proceeds with respect to the Total Payments are maximized.

17. Competition/Confidentiality.

(a) Acknowledgments by Executive. Executive acknowledges that (a) during the Term and as a part of Executive's employment, Executive has been and will be afforded access to Confidential Information (as defined below); (b) public disclosure of such Confidential Information could have an adverse effect on the Company and its business; (c) because Executive possesses substantial technical expertise and skill with respect to the Company's business, Company desires to obtain exclusive ownership of each invention by Executive while Executive is employed by the Company, and Company will be at a substantial competitive disadvantage if it fails to acquire exclusive ownership of each such invention by Executive; and (d) the provisions of this Section 17 are reasonable and necessary to prevent the improper use or disclosure of Confidential Information and to provide Company with exclusive ownership of all inventions and works made or created by Executive.

(b) Confidential Information. (i) The Executive acknowledges that during the Term Executive will have access to and may obtain, develop, or learn of Confidential Information (as defined below) under and pursuant to a relationship of trust and confidence. The Executive shall hold such Confidential Information in strictest confidence and never at any time, during or after Executive's employment terminates, directly or indirectly use for Executive's own benefit or otherwise (except in connection with the performance of any duties as an employee hereunder) any Confidential Information, or divulge, reveal, disclose or communicate any Confidential Information to any unauthorized person or entity in any manner whatsoever.

(ii) As used in this Agreement, the term “Confidential Information” shall include, but not be limited to, any of the following information relating to Company learned by the Executive during the Term or as a result of Executive's employment with Company:

(A) information regarding the Company's business proposals, manner of the Company's operations, and methods of selling or pricing any products or services;

(B) the identity of persons or entities actually conducting or considering conducting business with the Company, and any information in any form relating to such persons or entities and their relationship or dealings with the Company or its affiliates;

(C) any trade secret or confidential information of or concerning any business operation or business relationship;

(D) computer databases, software programs and information relating to the nature of the hardware or software and how said hardware or software is used in combination or alone;

(E) information concerning Company personnel, confidential financial information, customer or customer prospect information, information concerning subscribers, subscriber and

customer lists and data, methods and formulas for estimating costs and setting prices, engineering design standards, testing procedures, research results (such as marketing surveys, programming trials or product trials), cost data (such as billing, equipment and programming cost projection models), compensation information and models, business or marketing plans or strategies, deal or business terms, budgets, vendor names, programming operations, product names, information on proposed acquisitions or dispositions, actual performance compared to budgeted performance, long−range plans, internal financial information (including but not limited to financial and operating results for certain offices, divisions, departments, and key market areas that are not disclosed to the public in such form), results of internal analyses, computer programs and programming information, techniques and designs, and trade secrets;

(F) information concerning the Company's employees, officers, directors and shareholders; and

(G) any other trade secret or information of a confidential or proprietary nature.

(iii) Executive shall not make or use any notes or memoranda relating to any Confidential Information except for uses reasonably expected by Executive to be for the benefit of the Company, and will, at Company's request, return each original and every copy of any and all notes, memoranda, correspondence, diagrams or other records, in written or other form, that Executive may at any time have within his possession or control that contain any Confidential Information.

(iv) Notwithstanding the foregoing, Confidential Information shall not include information which has come within the public domain through no fault of or action by Executive or which has become rightfully available to Executive on a non−confidential basis from any third party, the disclosure of which to Executive does not violate any contractual or legal obligation such third party has to the Company or its affiliates with respect to such Confidential Information. None of the foregoing obligations and restrictions applies to any part of the Confidential Information that Executive demonstrates was or became generally available to the public other than as a result of a disclosure by Executive or by any other person bound by a confidentiality obligation to the Company in respect of such Confidential Information.

(v) Executive will not remove from the Company's premises (except to the extent such removal is for purposes of the performance of Executive's duties at home or while traveling, or except as otherwise specifically authorized by Company) any Company document, record, notebook, plan, model, component, device, or computer software or code, whether embodied in a disk or in any other form (collectively, the “Proprietary Items”). Executive recognizes that, as between Company and Executive, all of the Proprietary Items, whether or not developed by Executive, are the exclusive property of the Company. Upon termination of Executive's employment by either party, or upon the request of Company during the Term, Executive will return to Company all of the Proprietary Items in Executive's possession or subject to Executive's control, including all equipment (e.g., laptop computers, cell phone, portable e−mail devices, etc.), documents, files and data, and Executive shall not retain any copies, abstracts, sketches, or other physical embodiment of any such Proprietary Items.

18. Proprietary Developments.

(a) Any and all inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae (collectively, hereinafter referred to as “Developments”), made, conceived, developed, or created by Executive (alone or in conjunction with others, during regular work hours or otherwise) during Executive's employment, which may be directly or indirectly useful in, or relate to, the business conducted or to be conducted by the Company will be promptly disclosed by Executive to Company and shall be Company's exclusive property. The term “Developments” shall not

be deemed to include inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae which were in the possession of Executive prior to the Term. Executive hereby transfers and assigns to Company all proprietary rights which Executive may have or acquire in any Developments and Executive waives any other special right which the Executive may have or accrue therein. Executive will execute any documents and to take any actions that may be required, in the reasonable determination of Company's counsel, to effect and confirm such assignment, transfer and waiver, to direct the issuance of patents, trademarks, or copyrights to Company with respect to such Developments as are to be Company's exclusive property or to vest in Company title to such Developments; provided, however, that the expense of securing any patent, trademark or copyright shall be borne by Company. The parties agree that Developments shall constitute Confidential Information.

(b) "Work Made for Hire." Any work performed by Executive during Executive's employment with Company shall be considered a "Work Made for Hire" as defined in the U.S. Copyright laws, and shall be owned by and for the express benefit of Company. In the event it should be established that such work does not qualify as a Work Made for Hire, Executive agrees to and does hereby assign to Company all of Executive's right, title, and interest in such work product including, but not limited to, all copyrights and other proprietary rights.

19. Non−Competition and Non−Interference.

(a) Acknowledgments by Executive. Executive acknowledges and agrees that: (a) the services to be performed by Executive under this Agreement are of a special, unique, unusual, extraordinary, and intellectual character; (b) the Company competes with other businesses that are or could be located in any part of the United States; and (c) the provisions of this Section 19 are reasonable and necessary to protect the Company's business and lawful protectable interests, and do not impair Executive's ability to earn a living.

(b) Covenants of Executive. For purposes of this Section 19, the term "Restricted Period" shall mean the period commencing as of the date of this Agreement and terminating on the second anniversary (or, in the case of Section 19(b)(iii), the first anniversary), of the date Executive's employment terminated; provided that, the "Restricted Period" also shall encompass any period of time from whichever anniversary date is applicable until and ending on the last date Executive is to be paid any payment under Section 15 hereof. In consideration of the acknowledgments by Executive, and in consideration of the compensation and benefits to be paid or provided to Executive by Company, Executive covenants and agrees that during the Restricted Period, the Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other person or entity other than the Company:

(i) in the United States or any other country or territory where the Company then conducts its business: engage in, operate, finance, control or be employed by a "Competitive Business" (defined below); serve as an officer or director of a Competitive Business (regardless of where Executive then lives or conducts such activities); perform any work as an employee, consultant (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company), contractor, or in any other capacity with, a Competitive Business; directly or indirectly invest or own any interest in a Competitive Business (regardless of where Executive then lives or conducts such activities); or directly or indirectly provide any services or advice to a any business, person or entity who or which is engaged in a Competitive Business (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company).

A “Competitive Business” is any business, person or entity who or which, anywhere within that part of the United States, or that part of any other country or territory, where the Company conducts business; owns or operates a cable television system; provides direct television or any satellite−based, telephone system−based, internet based or wireless system for delivering television, music or other entertainment programming (other than as an ancillary service, such as cellular telephone providers); provides telephony services using any wired connection or fixed (as opposed to mobile) wireless application; provides data or internet access services; or offers, provides, markets or sells any service or product of a type that is offered or marketed by or directly competitive with a service or product offered or marketed by the Company at the time Executive's employment terminates; or who or which in any case is preparing or planning to do so. The provisions of this Section 19 shall not be construed or applied (i) so as to prohibit Executive from owning not more than five percent (5%) of any class of securities that is publicly traded on any national or regional securities exchange, as long as Executive's investment is passive and Executive does not lend or provide any services or advice to such business or otherwise violate the terms of this Agreement in connection with such investment; or (ii) so as to prohibit Executive from working as an employee in the cable television business for a company/business that owns or operates cable television franchises (by way of current example only, Time Warner, Cablevision, Cox or Comcast), provided that the company/business is not providing cable services in any political subdivision/ geographic area where the Company has a franchise or provides cable services (other than nominal overlaps of service areas) and the company/business is otherwise not engaged in a Competitive Business, and provided Executive does not otherwise violate the terms of this Agreement in connection with that work;

(ii) contact, solicit or provide any service to any person or entity that was a customer franchisee, or prospective customer of the Company at any time during Executive's employment (a prospective customer being one to whom the Company had made a business proposal within twelve (12) months prior to the time Executive's employment terminated); or directly solicit or encourage any customer, franchisee or subscriber of the Company to purchase any service or product of a type offered by or competitive with any product or service provided by the Company, or to reduce the amount or level of business purchased by such customer, franchisee or subscriber from the Company; or take away or procure for the benefit of any competitor of the Company, any business of a type provided by or competitive with a product or service offered by the Company; or

(iii) solicit or recruit for employment, any person or persons who are employed by Company or any of its subsidiaries or affiliates, or who were so employed at any time within a period of six (6) months immediately prior to the date Executive's employment terminated, or otherwise interfere with the relationship between any such person and the Company; nor will the Executive assist anyone else in recruiting any such employee to work for another company or business or discuss with any such person his or her leaving the employ of the Company or engaging in a business activity in competition with the Company. This provision shall not apply to secretarial, clerical, custodial or maintenance employees.

If Executive violates any covenant contained in this Section 19, then the term of the covenants in this Section shall be extended by the period of time Executive was in violation of the same.

(c) Provisions Pertaining to the Covenants. Executive recognizes that the existing business of the Company extends to various locations and areas throughout the United States and may extend hereafter to other countries and territories and agrees that the scope of Section 19 shall extend to any part of the United States, and any other country or territory, where the Company operates or conducts business, or has concrete plans to do so at the time Executive's employment terminates. It is agreed that the Executive's services hereunder are special, unique, unusual and extraordinary giving them peculiar value, the loss of which cannot be reasonably or adequately compensated for by damages, and in the event of the Executive's breach of this Section, Company shall be entitled to equitable relief by way of injunction or otherwise in

addition to the cessation of payments and benefits hereunder. If any provision of Sections 17, 18 or 19 of this Agreement is deemed to be unenforceable by a court (whether because of the subject matter of the provision, the duration of a restriction, the geographic or other scope of a restriction or otherwise), that provision shall not be rendered void but the parties instead agree that the court shall amend and alter such provision to such lesser degree, time, scope, extent and/or territory as will grant Company the maximum restriction on Executive's activities permitted by applicable law in such circumstances. Company's failure to exercise its rights to enforce the provisions of this Agreement shall not be affected by the existence or non existence of any other similar agreement for anyone else employed by Company or by Company's failure to exercise any of its rights under any such agreement.

(d) Notices. In order to preserve Company's rights under this Agreement, Company is authorized to advise any potential or future employer, any third party with whom Executive may become employed or enter into any business or contractual relationship with, and any third party whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and Company shall not be liable for doing so.

(e) Injunctive Relief and Additional Remedy. Executive acknowledges that the injury that would be suffered by Company as a result of a breach of the provisions of this Agreement (including any provision of Sections 17, 18 and 19) would be irreparable and that an award of monetary damages to Company for such a breach would be an inadequate remedy. Consequently, Company will have the right, in addition to any other rights it may have, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and Company will not be obligated to post bond or other security in seeking such relief. Without limiting Company's rights under this Section or any other remedies of Company, if Executive breaches any of the provisions of Sections 17, 18 or 19, Company will have the right to cease making any payments otherwise due to Executive under this Agreement.

(f) Covenants of Sections 17, 18 and 19 are Essential and Independent Covenants. The covenants by Executive in Sections 17, 18 and 19 are essential elements of this Agreement, and without Executive's agreement to comply with such covenants, Company would not have entered into this Agreement or employed Executive. Company and Executive have independently consulted their respective counsel and have been advised in all respects concerning the reasonableness and propriety of such covenants, with specific regard to the nature of the business conducted by Company. Executive's covenants in Sections 17, 18 and 19 are independent covenants and the existence of any claim by Executive against Company, under this Agreement or otherwise, will not excuse Executive's breach of any covenant in Section 17, 18 or 19. If Executive's employment hereunder is terminated, this Agreement will continue in full force and effect as is necessary or appropriate to enforce the covenants and agreements of Executive in Sections 17, 18 and 19. The Company's right to enforce the covenants in Sections 17, 18 and 19 shall not be adversely affected or limited by the Company's failure to have an agreement with another employee with provisions at least as restrictive as those contained in Sections 17, 18 or 19 , or by the Company's failure or inability to enforce (or agreement not to enforce) in full the provisions of any other or similar agreement containing one or more restrictions of the type specified in Sections 17, 18 and 19 of this Agreement.

20. Executive's Representations And Further Agreements.

(a) Executive represents, warrants and covenants to Company that:

(i) Neither the execution and delivery of this Agreement by Executive nor the performance of any of Executive's duties hereunder in accordance with the Agreement will violate, conflict with or result in the breach of any order, judgment, employment contract, agreement not to compete or other

agreement or arrangement to which Executive is a party or is subject;

(ii) On or prior to the date hereof, Executive has furnished to Company true and complete copies of all judgments, orders, written employment contracts, agreements not to compete, and other agreements or arrangements restricting Executive's employment or business pursuits, that have current application to Executive;

(iii) Executive is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, and that prior to assenting to the terms of this Agreement, or giving the representations and warranties herein, Executive has been given a reasonable time to review it and has consulted with counsel of Executive's choice; and

(iv) Executive has not provided, nor been requested by Company to provide, to Company, any confidential or non public document or information of a former employer that constitutes or contains any protected trade secret, and will not use any protected trade secrets in connection with the Executive's employment.

(b) During and subsequent to expiration of the Term, the Executive will cooperate with Company, and furnish any and all complete and truthful information, testimony or affidavits in connection with any matter that arose during the Executive's employment, that in any way relates to the business or operations of the Company or any of its parent or subsidiary corporations or affiliates, or of which the Executive may have any knowledge or involvement; and will consult with and provide information to Company and its representatives concerning such matters. Executive shall fully cooperate with Company in the protection and enforcement of any intellectual property rights that relate to services performed by Executive for Company, whether under the terms of this Agreement or prior to the execution of this Agreement. This shall include without limitation executing, acknowledging, and delivering to Company all documents or papers that may be necessary to enable Company to publish or protect such intellectual property rights. Subsequent to the Term, the parties will make their best efforts to have such cooperation performed at reasonable times and places and in a manner as not to unreasonably interfere with any other employment in which Executive may then be engaged. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony, sworn statement or declaration that is not complete and truthful. If Company requires the Executive to travel outside the metropolitan area in the United States where the Executive then resides to provide any testimony or otherwise provide any such assistance, then Company will reimburse the Executive for any reasonable, ordinary and necessary travel and lodging expenses incurred by Executive to do so provided the Executive submits all documentation required under Company's standard travel expense reimbursement policies and as otherwise may be required to satisfy any requirements under applicable tax laws for Company to deduct those expenses. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony or affidavit that is not complete and truthful.

21. Mutual Non−Disparagement. Neither the Company nor Executive shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation in the business or legal community or in the telecommunications industry.

22. Foreign Corrupt Practices Act. Executive agrees to comply in all material respects with the applicable provisions of the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, which provides generally that: under no circumstances will foreign officials, representatives, political parties or holders of public offices be offered, promised or paid any money, remuneration, things of value, or provided any other benefit, direct or indirect, in connection with obtaining or maintaining contracts or orders hereunder. When any representative, employee, agent, or other individual or organization associated with Executive is

required to perform any obligation related to or in connection with this Agreement, the substance of this section shall be imposed upon such person and included in any agreement between Executive and any such person. Failure by Executive to comply with the provisions of the FCPA shall constitute a material breach of this Agreement and shall entitle the Company to terminate Executive's employment for Cause.

23. Purchases and Sales of the Company's Securities. Executive has read and agrees to comply in all respects with the Company's Securities Trading Policy regarding the purchase and sale of the Company's securities by employees, as such Policy may be amended from time to time. Specifically, and without limitation, Executive agrees that Executive shall not purchase or sell stock in the Company at any time (a) that Executive possesses material non−public information about the Company or any of its businesses; and (b) during any "Trading Blackout Period" as may be determined by the Company as set forth in the Policy from time to time.

24. Indemnification.

(a)If Executive is made a party or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, a "Covered Person"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection therewith; provided, however, that, except as provided in Section 24(e) hereof with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

(b)The Company shall pay the expenses (including attorneys' fees) incurred by Executive in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"), provided, however, that, if the Delaware General Corporation Law so requires, an advancement of expenses incurred by Executive in his or her capacity as such shall be made only upon delivery to the Company of an undertaking (hereinafter, an "Undertaking"), by or on behalf of such Executive, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "Final Adjudication") that Executive was not entitled to be indemnified for such expenses under this Section 24 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Subsections 24(a) and (b) hereof shall be contract rights and such rights shall continue even after Executive ceases to be employed by the Company and shall inure to the benefit of Executive's heirs, executors and administrators.

(c)If a claim under Section 24(a) or (b) hereof is not paid in full by the Company within sixty (60) days after a written claim therefore has been received by the Company, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, Executive may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If Executive is successful in whole or in part in any such suit, or in a suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, Executive shall be entitled to be paid

also the expense of prosecuting or defending such suit. In (i) any suit brought by Executive to enforce a right to indemnification hereunder (but not in a suit brought by Executive to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses upon a final adjudication that, Executive has not met the applicable standard for indemnification set forth in the Delaware General Corporation Law. To the fullest extent permitted by law, neither the failure of the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of Executive is proper in the circumstances because the Executive has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct or, in the case of such a suit brought by Executive, be a defense to such suit. In any suit brought by Executive to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that Executive is not entitled to be indemnified, or to such advancement of expenses, under this Section 24 or otherwise shall, to the extent permitted by law, be on the Company.

(d)The rights to indemnification and to the advancement of expenses conferred in this Section 24 shall not be exclusive of any other right of indemnification which Executive or any other person may have or hereafter acquire by any statute, the Company's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, including all rights of indemnification provided by the Indemnification Agreement entered into by Executive and the Company dated as of December 1, 2009.

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

25. Withholding. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Executive or his estate or beneficiary shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to applicable law or regulation.

26. Notices. Any written notice required by this Agreement will be deemed provided and delivered to the intended recipient when (a) delivered in person by hand; or (b) three days after being sent via U.S. certified mail, return receipt requested; or (c) the day after being sent via by overnight courier, in each case when such notice is properly addressed to the following address and with all postage and similar fees having been paid in advance:

If to the Company: Charter Communications, Inc.
Attn.: Human Resources
12405 Powerscourt Drive
St. Louis, MO 63131

If to Executive: 6399 South Fiddler's Green Circle 6th Fl
Greenwood Village, CO 80111

Either party may change the address to which notices, requests, demands and other communications

to such party shall be delivered personally or mailed by giving written notice to the other party in the manner described above.

27. Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where applicable, assigns.

28. Entire Agreement. As of the Effective Date, the Executive and the Company hereby irrevocably agree that the Old Employment Agreement is hereby terminated in its entirety, and neither party thereto shall have any rights or obligations under the Old Employment Agreement, including but not limited to, in the case of the Executive, any right to any severance payment or benefit. This Agreement constitutes the entire agreement between the listed parties with respect to the subject matter described in this Agreement and supersedes all prior agreements, understandings and arrangements, both oral and written, between the parties with respect to such subject matter, except to the extent said agreements, understandings and arrangements are referenced or referred to in this Agreement. This Agreement may not be modified, amended, altered or rescinded in any manner, except by written instrument signed by both of the parties hereto; provided, however, that the waiver by either party of a breach or compliance with any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or compliance. Except to the extent the terms hereof are explicitly and directly inconsistent with the terms of the Plan, nothing herein shall be deemed to override or replace the terms of the Plan, including but not limited to sections 6.4, 9.4 and 10.4 thereof.

29. Severability. In case any one or more of the provisions of this Agreement shall be held by any court of competent jurisdiction or any arbitrator selected in accordance with the terms hereof to be illegal, invalid or unenforceable in any respect, such provision shall have no force and effect, but such holding shall not affect the legality, validity or enforceability of any other provision of this Agreement provided that the provisions held illegal, invalid or unenforceable does not reflect or manifest a fundamental benefit bargained for by a party hereto.

30. Assignment. Subject to the Executive's right to terminate in the event of a Change of Control hereunder, this Agreement can be assigned by the Company only to a company that controls, is controlled by, or is under common control with the Company and which assumes all of the Company's obligations hereunder. The duties and covenants of Executive under this Agreement, being personal, may not be assigned or delegated except that Executive may assign payments due hereunder to a trust established for the benefit of Executive's family or to Executive's estate or to any partnership or trust entered into by Executive and/or Executive's immediate family members (meaning, Executive's spouse and lineal descendants). This agreement shall be binding in all respects on permissible assignees.

31. Notification. In order to preserve the Company's rights under this Agreement, the Company is authorized to advise any third party with whom Executive may become employed or enter into any business or contractual relationship with, or whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and the Company shall not be liable for doing so.

32. Choice of Law/Jurisdiction This Agreement is deemed to be accepted and entered into in St. Louis County, Missouri. Executive and the Company intend and hereby acknowledge that jurisdiction over disputes with regard to this Agreement, and over all aspects of the relationship between the parties hereto, shall be governed by the laws of the State of Missouri without giving effect to its rules governing conflicts of laws. Executive agrees that in any suit to enforce this Agreement, or as to any dispute that arises between the Company and the Executive regarding or relating to this Agreement and/or any aspect of Executive's employment relationship with Company, venue and jurisdiction are proper in the County of St.

Louis, and (if federal jurisdiction exists) the United States District Court for the Eastern Division of Missouri in St. Louis, and Executive waives all objections to jurisdiction and venue in any such forum and any defense that such forum is not the most convenient forum.

33. Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any manner the meaning or interpretation of this Agreement.

34. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

35. Section 409A Compliance. The Company and Executive intend that the provisions of this Agreement comply with the requirements of Code Section 409A and the regulations and guidance issued thereunder and be interpreted in accordance therewith. Executive will not have any discretion to designate the taxable year of payment of any amounts subject to Section 409A under any provision of this Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

CHARTER COMMUNICATIONS, INC.

By: /s/ Michael Lovett
Name:
Title:

EXECUTIVE

/s/ James M. Heneghan
Name: _____
Address: _____

Exhibit 10.34

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), dated and effective as of March 1, 2010 (the "Effective Date") is made by and between CHARTER COMMUNICATIONS, INC., a Delaware corporation (the "Company"), and Steven E. Apodaca (the "Executive").

RECITALS:

WHEREAS, the Executive and the Company have previously entered into that certain Employment Agreement dated December 24, 2008, as amended (the "Old Employment Agreement") and the parties desire to amend and restate in its entirety the Old Employment Agreement;

WHEREAS, it is the desire of the Company to assure itself of the services of Executive by engaging Executive as its President, West Operations and the Executive desires to serve the Company on the terms herein provided;

WHEREAS, Executive's agreement to the terms and conditions of Sections 17, 18 and 19 are a material and essential condition of Executive's employment with the Company hereafter under the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1.Certain Definitions.

(a)"Allen" shall mean Paul G. Allen (and his heirs or beneficiaries under his will(s), trusts or other instruments of testamentary disposition), and any entity or group over which Paul G. Allen has Control and that constitutes a Person as defined herein. For the purposes of this definition, "Control" means the power to direct the management and policies of an entity or to appoint or elect a majority of its governing board.

(b)"Annual Base Salary" shall have the meaning set forth in Section 5.

(c)"Board" shall mean the Board of Directors of the Company.

(d)"Bonus" shall have the meaning set forth in Section 6.

(e)The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i)Executive's breach of a material obligation (which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach) or representation under this Agreement or breach of any fiduciary duty to the Company which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach; or any act of fraud or knowing material misrepresentation or concealment upon, to or from the Company or the Board;

(ii)Executive's failure to adhere in any material respect to (i) the Company's Code of Conduct in effect from time to time and applicable to officers and/or employees generally, or (ii) any

written Company policy, if such policy is material to the effective performance by Executive of the Executive's duties under this Agreement, and if Executive has been given a reasonable opportunity to cure this failure to comply within a period of time which is reasonable under the circumstances but not more than the thirty (30) day period after written notice of such failure is provided to Executive; provided that if Executive cures this failure to comply with such a policy and then fails again to comply with the same policy, no further opportunity to cure that failure shall be required;

(iii)Executive's misappropriation (or attempted misappropriation) of a material amount of the Company's funds or property;

(iv)Executive's conviction of, the entering of a guilty plea or plea of nolo contendere or no contest (or the equivalent), or entering into any pretrial diversion program or agreement or suspended imposition of sentence, with respect to either a felony or a crime that adversely affects or could reasonably be expected to adversely affect the Company or its business reputation; or the institution of criminal charges against Executive, which are not dismissed within sixty (60) days after institution, for fraud, embezzlement, any felony offense involving dishonesty or constituting a breach of trust or moral turpitude;

(v)Executive's admission of liability of, or finding of liability, for a knowing and deliberate violation of any "Securities Laws." As used herein, the term "Securities Laws" means any federal or state law, rule or regulation governing generally the issuance or exchange of securities, including without limitation the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

(vi)conduct by Executive in connection with Executive's employment that constitutes gross neglect of any material duty or responsibility, willful misconduct, or recklessness which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach;

(vii)Executive's illegal possession or use of any controlled substance, or excessive use of alcohol at a work function, in connection with Executive's duties, or on Company premises; "excessive" meaning either repeated unprofessional use or any single event of consumption giving rise to significant intoxication or unprofessional behavior;

(viii)Executive's willful or grossly negligent commission of any other act or failure to act in connection with the Executive's duties as an executive of the Company which causes or reasonably may be expected (as of the time of such occurrence) to cause substantial economic injury to or substantial injury to the business reputation of the Company or any subsidiary or affiliate of the Company, including, without limitation, any material violation of the Foreign Corrupt Practices Act, as described herein below.

If Executive commits or is charged with committing any offense of the character or type specified in subparagraphs 1(e)(iv), (v) or (viii) above, then the Company at its option may suspend the Executive with or without pay. If the Executive subsequently is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any such offense (or any matter that gave rise to the suspension), the Executive shall immediately repay any compensation paid in cash hereunder from the date of the suspension. Notwithstanding anything to the contrary in any stock option or equity incentive plan or award agreement, all vesting and all lapsing of restrictions on restricted shares shall be tolled during the period of suspension and all unvested options and

restricted shares for which the restrictions have not lapsed shall terminate and not be exercisable by or issued to Executive if during or after such suspension the Executive is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any offense specified in subparagraphs 1(e)(iv), (v) or (viii) above or any matter that gave rise to the suspension.

(f) "Change of Control" shall mean the occurrence of any of the following events:

(i)an acquisition of any voting securities of the Company by any "Person" or "Group" (as those terms are used for purposes of Section 13(d) or 14(d) of the Exchange Act of 1934, amended (the "Exchange Act")), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d−3 promulgated under the Exchange Act) of thirty−five percent (35%) or more of the combined voting power of the Company's then outstanding voting securities; provided, however, that voting securities which are acquired in a "Non−Control Transaction" (as hereinafter defined) assuming that the acquisition of voting securities for this purpose qualifies as Merger (as hereinafter defined) shall not constitute a Change of Control; and provided further that an acquisition of Beneficial Ownership of less than fifty percent (50%) of the Company's then outstanding voting securities by any Equity Backstop Party (as defined in the Joint Plan) or the Allen Entities (as defined in the Joint Plan) shall not be considered to be a Change of Control under this clause (i);

(ii)the individuals who, as of immediately after the effective date of the Company's Chapter 11 plan of reorganization (the "Emergence Date"), are members of the Board (the "Incumbent Board"), cease for any reason to constitute a majority of the Board; provided, however, that if the election, or nomination for election by the Company's common stockholders, of any new director (excluding any director whose nomination or election to the Board is the result of any actual or threatened proxy contest or settlement thereof) was approved by a vote of at least two−thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board;

(iii)the consummation of a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a Non−Control Transaction. A "Non−Control Transaction" shall mean a Merger where: (1) the stockholders of the Company, immediately before such Merger own directly or indirectly immediately following such Merger more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the entity resulting from such Merger or its controlling parent entity (the "Surviving Entity"), (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors (or similar governing body) of the Surviving Entity, and (3) no Person other (X) than the Company, its subsidiaries or affiliates or any of their respective employee benefit plans (or any trust forming a part thereof) that, immediately prior to such Merger was maintained by the Company or any subsidiary or affiliate of the Company, or (Y) any Person who, immediately prior to such Merger had Beneficial Ownership of thirty−five percent (35%) or more of the then outstanding voting securities of the Company, has Beneficial Ownership of thirty−five percent (35%) or more of the combined voting power of the outstanding voting securities or common stock of the Surviving Entity; provided that this clause (Y) shall not trigger a Change of Control solely because, after such Merger, any Equity Backstop Party or any Allen Entity has Beneficial Ownership of more than thirty−five percent (35%) but less than fifty percent (50%) of the combined voting power of the outstanding voting securities or common stock of the Surviving Entity;

(iv)complete liquidation or dissolution of the Company (other than where assets of the Company are transferred to or remain with subsidiaries of the Company); or

(v)the sale or other disposition of all or substantially all of the assets of the Company and its direct and indirect subsidiaries on a consolidated basis, directly or indirectly, to any Person (other than a transfer to a subsidiary or affiliate of the Company unless, such sale or disposition constitutes a Non−Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a subsidiary or affiliate of the Company or any other assets).

Notwithstanding the foregoing a Change of Control shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the "Joint Plan."

(g)"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(h)"Committee" shall mean either the Compensation and Benefits Committee of the Board, or a Subcommittee of such Committee duly appointed by the Board or the Committee or any successor to the functions thereof.

(i)"Company" shall have the meaning set forth in the preamble hereto.

(j)"Company Stock" shall mean the common stock of the Company issued in connection with the Company's emergence from its Chapter 11 reorganization and any stock received in exchange therefor.

(k)"Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death and (ii) if Executive's employment is terminated pursuant to Section 14(a)(ii)−(vi), the date of termination of employment, as defined in 409(A) regulations under the Code.

(l)For purposes of this Agreement, Executive will be deemed to have a "Disability" if, due to illness, injury or a physical or medically recognized mental condition, (a) Executive is unable to perform Executive's duties under this Agreement with reasonable accommodation for 120 consecutive days, or 180 days during any twelve month period, as determined in accordance with this Section, or (b) Executive is considered disabled for purposes of receiving / qualifying for long term disability benefits under any group long term disability insurance plan or policy offered by Company in which Executive participates. The Disability of Executive will be determined by a medical doctor selected by written agreement of Company and Executive upon the request of either party by notice to the other, or (in the case of and with respect to any applicable long term disability insurance policy or plan) will be determined according to the terms of the applicable long term disability insurance policy / plan. If Company and Executive cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Executive has a Disability. The determination of the medical doctor selected under this Section will be binding on both parties. Executive must submit to a reasonable number of examinations by the medical doctor making the determination of Disability under this Section, and to other specialists designated by such medical doctor, and Executive hereby authorizes the disclosure and release to Company of such determination and all supporting medical records. If Executive is not legally competent, Executive's legal guardian or duly authorized attorney−in−fact will act in Executive's stead under this Section for the purposes of submitting Executive to

the examinations, and providing the authorization of disclosure, required under this Section.

(m)“Executive” shall have the meaning set forth in the preamble hereto.

(n)“Good Reason” shall mean any of the events described herein that occur without Executive's prior written consent: (i) any reduction in Executive's Annual Base Salary, Target Bonus Percentage, or title except as permitted hereunder, (ii) any failure to pay Executive's compensation hereunder when due; (iii) any material breach by the Company of a term hereof; (iv) relocation of Executive's primary workplace to a location that is more than fifty (50) miles from the office where Executive is then assigned to work as Executive's principal office; (v) any change in reporting structure such that Executive no longer reports directly to the officer (by function) to whom Executive reports at the time of the execution of this Agreement (or equivalent position if the Company has changed functional responsibilities of its senior executive staff) (in each case “(i)” through “(v)” only if Executive objects in writing within 30 days after being informed of such events and unless Company retracts and/or rectifies the claimed Good Reason within 30 days following Company's receipt of timely written objection from Executive); (vi) if within six months after a Change of Control, Executive has not received an offer from the surviving company to continue in an equivalent position in terms of title, responsibility and compensation (except that the value of equity−based compensation after such Change of Control need only be commensurate with the value of equity−based compensation given to executives with equivalent positions in the surviving company, if any) as set herein; (vii) the Company's decision not to renew this Agreement at the end of its term, or (viii) the failure of a successor to the business of the Company to assume the Company's obligations under this Agreement in the event of a Change of Control during its term.

(o)“Notice of Termination” shall have the meaning set forth in Section 14(b).

(p)“Options” shall have the meaning set forth in Section 7.

(q)“Performance Unit” and “Performance Shares” shall have the meaning set forth in Section 9 hereof.

(r)“Person” shall have the meaning set forth in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934.

(s)“Plan” shall mean the 2009 Stock Incentive Plan as amended by the Company from time to time.

(t)“Restricted Shares” shall have the meaning set forth in Section 8.

(u)“Term” shall have the meaning set forth in Section 2.

(v)“Voluntary” and “Voluntarily” in connection with Executive's termination of employment shall mean a termination of employment resulting from the initiative of the Executive, excluding a termination of employment attributable to Executive's death or Disability. A resignation by Executive that is in response to a communicated intent by the Company to discharge Executive other than for Cause is not considered to be “Voluntary” and shall be considered to be a termination by the Company for the purposes of this Agreement.

(w)“Joint Plan” means the joint plan of reorganization of the Company, Charter

Investment, Inc. and the Company's direct and indirect subsidiaries filed pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101−1532s, on March 27, 2009.

2.Employment Term. The Company hereby employs the Executive, and the Executive hereby accepts employment, under the terms and conditions hereof, for the period (the "Term") beginning on the Effective Date hereof and terminating upon the earlier of (i) the second anniversary of the Effective Date (the "Initial Term") and (ii) the Date of Termination as defined in Section 1(k), and, if not terminated earlier, will be automatically renewed at the end of its Initial Term and on each anniversary thereafter for a period of one (1) year unless either party shall give written notice of cancellation to the other party not later than ninety (90) days prior to the end of the Initial Term or anniversaries thereof.

3. Position and Duties. Executive shall serve as President, West Operations initially reporting to the Chief Operating Officer, but with such other reporting relationships as shall be determined by the Chief Executive Officer from time to time, with such responsibilities, duties and authority as are customary for such role, including, but not limited to, overall management responsibility for West Division operations in the Company. Executive shall devote all necessary business time and attention, and employ Executive's reasonable best efforts, toward the fulfillment and execution of all assigned duties, and the satisfaction of defined annual and/or longer−term performance criteria.

4. Place of Performance. In connection with Executive's employment during the Term, Executive's initial primary workplace shall be the Company's offices in or near Denver, Colorado, except for necessary travel on the Company's business.

5. Annual Base Salary. During the Term, Executive shall receive a base salary at a rate not less than $280,000 per annum (the "Annual Base Salary"), less standard deductions, paid in accordance with the Company's general payroll practices for executives, but no less frequently than monthly. The Annual Base Salary shall compensate Executive for any official position or directorship of a subsidiary or affiliate that Executive is asked to hold in the Company or its subsidiaries or affiliates as a part of Executive's employment responsibilities. No less frequently than annually during the Term, the Committee, on advice of the Company's Chief Executive Officer, shall review the rate of Annual Base Salary payable to Executive, and may, in its discretion, increase the rate of Annual Base Salary payable hereunder; provided, however, that any increased rate shall thereafter be the rate of "Annual Base Salary" hereunder.

6. Bonus. Except as otherwise provided for herein, for each fiscal year or other period consistent with the Company's then−applicable normal employment practices during which Executive is employed hereunder on the last day (the "Bonus Year"), Executive shall be eligible to receive a bonus in an amount up to 65% of Executive's Annual Base Salary (the "Bonus" and bonuses at such percentage of Annual Base Salary being the "Target Bonus") pursuant to, and as set forth in, the terms of the Executive Bonus Plan as such Plan may be amended from time to time, plus such other bonus payments, if any, as shall be determined by the Committee in its sole discretion, with such Bonus and other bonuses being paid on or before March 15 of the year next following the Bonus Year.

7. Stock Options. The Committee may, in its discretion, grant to Executive options to purchase shares of Company Stock (all of such options, collectively, the "Options") pursuant to the terms of the Plan, any successor plan and an associated Stock Option Agreement.

8. Restricted Shares. The Committee may, in its discretion, grant to Executive restricted shares of Company Stock (collectively, the "Restricted Shares"), which shall be subject to restrictions on their sale as set forth in the Plan and an associated Restricted Shares Grant Letter.

9. Performance Share Units. The Committee may, in its discretion, grant to Executive

performance share units subject to performance vesting conditions (collectively, the “Performance Units”), which shall be subject to restrictions on their sale as set forth in the Plan and an associated Performance Unit Grant Letter.

10. Other Bonus Plans. The Committee may, in its discretion, grant to Executive a right to participate in any other bonus or retention plan that the Committee may decide to establish for executives, but nothing herein shall require the Committee to do so.

11. Benefits. Executive shall be entitled to receive such benefits and to participate in such employee group benefit plans, including life, health and disability insurance policies, and financial planning services, and other perquisites and plans as are generally provided by the Company to its senior executives of comparable level and responsibility in accordance with the plans, practices and programs of the Company, as amended from time to time.

12. Expenses. The Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in connection with the performance of Executive's duties as an employee of the Company in accordance with the Company's generally applicable policies and procedures. Such reimbursement is subject to the submission to the Company by Executive of appropriate documentation and/or vouchers in accordance with the customary procedures of the Company for expense reimbursement, as such procedures may be revised by the Company from time to time hereafter. In no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred.

13. Vacations. Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time, provided that, in no event shall Executive be entitled to less than three (3) weeks vacation per calendar year. Executive shall also be entitled to paid holidays and personal days in accordance with the Company's practice with respect to same as in effect from time to time.

14. Termination.

(a) Executive's employment hereunder may be terminated by the Company, on the one hand, or Executive, on the other hand, as applicable, without any breach of this Agreement, under the following circumstances:

(i) Death. Executive's employment hereunder shall automatically terminate upon Executive's death.

(ii) Disability. If Executive has incurred a Disability, the Company may give Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 14th day after delivery of such notice to Executive, provided that, within the 14 days after such delivery, Executive shall not have returned to full−time performance of Executive's duties. Executive may provide notice to the Company of Executive's resignation on account of a bona fide Disability at any time.

(iii) Cause. The Company may terminate Executive's employment hereunder for Cause effectively immediately upon delivery of notice to Executive, taking into account any procedural requirements set forth under Section 1(e) above.

(iv) Good Reason. Executive may terminate Executive's employment herein for Good Reason upon (i) satisfaction of any advance notice and other procedural requirements set forth under Section 1(n) above for any termination pursuant to Section 1(n)(i) through (v) or (ii) at least 30 days'

advance written notice by the Executive for any termination pursuant to Section 1(n)(vi) through (viii).

Notwithstanding the foregoing Good Reason shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the Joint Plan.

(v) Without Cause. The Company may terminate Executive's employment hereunder without Cause upon at least 30 days' advance written notice to the Executive.

(vi) Resignation Without Good Reason. Executive may resign Executive's employment without Good Reason upon at least fourteen (14) days' written notice to the Company.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 14 (other than pursuant to Sections 14(a)(i)) shall be communicated by a written notice (the "Notice of Termination") to the other party hereto, indicating the specific termination provision in this Agreement relied upon, setting forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and specifying a Date of Termination which notice shall be delivered within the applicable time periods set forth in subsections 14(a)(ii)−(vi) above (the "Notice Period"); provided that, the Company may pay to Executive all Annual Base Salary, benefits and other rights due to Executive during such Notice Period instead of employing Executive during such Notice Period.

(c) Resignation from Representational Capacities. Executive hereby acknowledges and agrees that upon Executive's termination of employment with the Company for whatever reason, Executive shall be deemed to have, and shall have in fact, effectively resigned from all executive, director, offices, or other positions with the Company or its affiliates at the time of such termination of employment, and shall return all property owned by the Company and in Executive's possession, including all hardware, files and documents, at that time.

(d) Termination in Connection with Change of Control. If Executive's employment is terminated by the Company without Cause either upon or within thirty days before or thirteen (13) months after a Change of Control, or prior to a Change of Control at the request of a prospective purchaser whose proposed purchase would constitute a Change of Control upon its completion, such termination shall be deemed to have occurred immediately before such Change of Control for purposes of this Agreement and the Plan.

15. Termination Pay.

(a) Effective upon the termination of Executive's employment, Company will be obligated to pay Executive (or, in the event of Executive's death, the Executive's designated beneficiary as defined below) only such compensation as is provided in this Section 15, except to the extent otherwise provided for in any Company stock incentive, stock option or cash award plan (including, among others, the Plan), approved by the Board. For purposes of this Section 15, Executive's designated beneficiary will be such individual beneficiary or trust, located at such address, as Executive may designate by notice to Company from time to time or, if Executive fails to give notice to Company of such a beneficiary, Executive's estate. Notwithstanding the preceding sentence, Company will have no duty, in any circumstances, to attempt to open an estate on behalf of Executive, to determine whether any beneficiary designated by Executive is alive or to ascertain the address of any such beneficiary, to determine the existence of any trust, to determine whether any person purporting to act as Executive's personal representative (or the trustee of a trust established by Executive) is duly authorized to act in that capacity, or to locate or attempt to locate any beneficiary, personal representative, or trustee.

(b) Termination by Executive for Good Reason or by Company without Cause. If prior to expiration of the Term, Executive terminates his or her employment for Good Reason, or if the Company terminates Executive's employment other than for Cause or Executive's death or Disability, Executive will be entitled to receive, subject to the conditions of this Agreement, the following:

(i) (A) all Annual Base Salary and Bonus duly payable under the applicable plan for performance periods ending prior to the Date of Termination, but unpaid as of the Date of Termination, plus (B) in consideration for Executive's obligations set forth in Section 19 hereof, an amount equal to one (1) times the Executive's then−current rate of Annual Base Salary and Target Bonus, which total sum shall be payable immediately following the Date of Termination in twenty−six (26) equal bi−weekly installments in accordance with the Company's normal payroll practices commencing with the next payroll date immediately following the 30 day anniversary of the Date of Termination, provided that, if a Change of Control occurs (or is deemed pursuant to Section 14(d) hereof to have occurred after such termination) during such twelve (12) month period (and such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code), any amounts remaining payable to Executive hereunder shall be paid in a single lump sum immediately upon such Change of Control.

(ii) if Executive's employment is terminated by the Company without Cause either upon or within thirty days before or thirteen (13) months after a Change of Control, or prior to a Change of Control at the request of a prospective purchaser whose proposed purchase would constitute a Change of Control upon its completion (and such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code), the Company shall treat as earned all unvested Performance Units for which the performance term has not expired as of such Change of Control at the rate calculated pursuant to the Plan and the applicable Grant Letter, and shall immediately convert those Units into Restricted Shares and accelerate as of the Date of Termination the removal of restrictions on such shares.

(iii) all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the Date of Termination which are payable under and in accordance with this Agreement, which amount will be paid within thirty (30) days after the submission by Executive of properly completed reimbursement requests on the Company's standard forms, provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred;

(iv) a lump sum payment (net after deduction of taxes and other required withholdings) equal to twelve (12) times the monthly cost, at the time Executive's employment terminated, for Executive to receive under COBRA the paid coverage for health, dental and vision benefits then being provided for Executive at the Company's cost at the time Executive's employment terminated. This amount will be paid on the next payroll date immediately following the 30 day anniversary of the Date of Termination and will not take into account future increases in costs during the applicable time period; and

(v) notwithstanding anything to the contrary in any award agreement, Executive shall be deemed to be actively employed during the twelve (12) month period following termination of employment for purposes of vesting of all stock options, performance units and restricted stock; provided that, if a Change of Control occurs (or is deemed pursuant to Section 14(d) hereof to have occurred after such termination) within such period, all remaining stock options that would have

vested in the twelve (12) month period shall vest, and all remaining restricted stock and performance units whose restrictions would have lapsed in the twelve (12) month period shall have their restrictions lapse immediately upon such Change of Control; provided, however, that with respect to any equity−based compensation awards subject to Section 409A of the Code (as determined by independent tax counsel retained by the Company), vesting and/or the lapse of restrictions will only be accelerated if such Change of Control qualifies either as a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company as such terms are defined under Section 409A of the Code, or the first subsequent time at which such distribution may be made in compliance with Section 409A of the Code; and

(vi) pay the cost of up to twelve (12) months, as required, of executive−level outplacement services (which provides as part of the outplacement the use of an office and secretarial support as near as reasonably practicable to Executive's residence) provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred.

(c) The Executive shall not be required to mitigate the amount of any payments provided in Section 15, by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 15 be reduced by any compensation earned by Executive as a result of employment by another company or business, or by profits earned by Employee from any other source at any time before or after the date of Termination, so long as Executive is not in breach of the Agreement.

(d) Termination by Executive without Good Reason or by Company for Cause. If prior to the expiration of the Term or thereafter, Executive Voluntarily terminates Executive's employment prior to expiration of the Term without Good Reason or if Company terminates this Agreement for Cause, Executive will be entitled to receive Executive's then−existing Annual Base Salary only through the date such termination is effective in accordance with regular payroll practices and will be reimbursed for all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the date of termination which are payable under and in accordance with this Agreement; any unvested options and shares of restricted stock shall terminate as of the date of termination unless otherwise provided for in any applicable plan or award agreement; and Executive shall be entitled to no other compensation, bonus, payments or benefits except as expressly provided in this paragraph.

(e) Termination upon Disability or Death. If Executive's employment shall terminate by reason of Executive's Disability (pursuant to Section 14(a)(ii)) or death (pursuant to Section 14(a)(i)), the Company shall pay to Executive, in a lump sum cash payment following the Date of Termination, all unpaid Annual Base Salary through the Date of Termination in accordance with regular payroll practices and the Bonus previously earned for a performance period ending prior to the Date of Termination, but unpaid as of the Date of Termination, and the pro rata portion of the Bonus for such year (when and as such Bonuses are paid to other senior executives of the Company) for the Performance Period in which the termination occurred. In the case of Disability, if there is a period of time during which Executive is not being paid Annual Base Salary and not receiving long−term disability insurance payments, the Company shall make interim payments equal to such unpaid disability insurance payments to Executive until commencement of disability insurance payments; provided that, to the extent required to avoid the tax consequences of Section 409A of the Code, as determined by independent tax counsel, the first payment shall cover all payments scheduled to be made to Executive during the first six (6) months after the date Executive's employment terminates, and the first such payment shall be delayed until the day that is six (6) months after the date Executive's employment terminates.

(f) Benefits. Except as otherwise required by law, Executive's accrual of, and participation in

plans providing for, the Benefits will cease at the effective Date of the Termination of employment.

(g) Conditions To Payments. To be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 15(b)(i) and 15(e), Executive must comply with the provisions of Sections 17, 18 and 19. In addition, to be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 15(b) and 15(e) Executive (or Executive's executor and personal representatives in case of death) must execute and deliver to Company, and comply with, an agreement, in form and substance reasonably satisfactory to Company, effectively releasing and giving up all claims Executive may have against Company or any of its subsidiaries or affiliates (and each of their respective controlling shareholders, employees, directors, officers, plans, fiduciaries, insurers and agents) arising out of or based upon any facts or conduct occurring prior to that date. The agreement will be prepared by Company, will be based upon the standard form (if any) then being utilized by Company for executive separations when severance is being paid, and will be provided to Executive at the time Executive's employment is terminated or as soon as administratively practicable thereafter (not to exceed five (5) business days). The agreement will require Executive to consult with Company representatives, and voluntarily appear as a witness for trial or deposition (and to prepare for any such testimony) in connection with, any claim which may be asserted by or against Company, any investigation or administrative proceeding, any matter relating to a franchise, or any business matter concerning Company or any of its transactions or operations. It is understood that the final document may not contain provisions specific to the release of a federal age discrimination claim if Executive is not at least forty (40) years of age, and may be changed as Company's chief legal counsel considers necessary and appropriate to enforce the same, including provisions to comply with changes in applicable laws and recent court decisions. Payments under and/or benefits provided by Section 15 will not continue to be made unless and until Executive executes and delivers that agreement to Company within twenty−one (21) days after delivery of the document (or such lesser time as Company's chief legal counsel may specify in the document) and all conditions to the effectiveness of that agreement and the releases contemplated thereby have been satisfied (including without limitation the expiration of any applicable revocation period without revoking acceptance).

(h) Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such expiration, subject to the terms of any agreement containing a general release provided by Executive.

(i) Definitions. For purposes of this Section 15, the terms “termination of employment” or “terminate” when used in the context of termination of employment shall means separation from service with the Company and its affiliates as the terms “separation from service” and “affiliate” are defined in Section 409A of the Code or the regulations thereunder.

(j) Notwithstanding anything to the contrary in this Section 15, any of the benefits described in this Section 15 that are due to be paid or awarded during the first six−(6) months after the Date of Termination shall, to the extent required to avoid the additional taxes and penalties imposed under Section 409A of the Code (as determined by independent tax counsel), be suspended for six months and paid on the day after the sixth month anniversary of the Date of Termination.

16. Excess Parachute Payment.

(a) Anything in this Agreement or the Plan to the contrary notwithstanding, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of Executive by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total

Payments shall be reduced (but not below zero) to the Safe Harbor Amount (as defined below) if and to the extent that a reduction in the Total Payments would result in Executive retaining a larger amount, on an after−tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Executive received the entire amount of such Total Payments in accordance with their existing terms (taking into account federal, state, and local income and employment taxes and the Excise Tax). For purposes of this Agreement, the term “Safe Harbor Amount” means the largest portion of the Total Payments that would result in no portion of the Total Payments being subject to the Excise Tax. Unless Executive shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non−cash payments in such order as Executive shall determine; provided that Executive may not so elect to the extent that, in the determination of the Determining Party (as defined herein), such election would cause Executive to be subject to the Excise Tax. Any notice given by Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Total Payments shall be reduced as provided in Section 16(a) and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by Company from among the ten largest accounting firms in the United States or by qualified independent tax counsel (the “Determining Party”); provided that, Executive shall be given advance notice of the Determining Party selected by the Company, and shall have the opportunity to reject to the selection, within two business days of being notified of the selection, on the basis of that Determining Party's having a conflict of interest or other reasonable basis, in which case the Company shall select an alternative auditing firm among the ten largest accounting firms in the United States or alternative independent qualified tax counsel, which shall become the Determining Party. Such Determining Party shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Executive within ten (10) days of the termination of Executive's employment or at such other time mutually agreed by the Company and Executive. If the Determining Party determines that no Excise Tax is payable by Executive with respect to the Total Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and Executive. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination as to the extent of the reduction, if any, pursuant to Section 16(a), or to have such Determination reviewed by another accounting firm selected by the Company, at the Company's expense. If the two accounting firms do not agree, a third accounting firm shall be jointly chosen by the Executive Party and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and Executive.

(c) If, notwithstanding any reduction described in this Section 16, the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of any of the Total Payments or otherwise, then Executive shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination, a portion of the Total Payments equal to the “Repayment Amount.” The Repayment Amount with respect to the payment of benefits shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive's net after−tax proceeds with respect to the Total Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Payment) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in Executive's net after−tax proceeds with respect to the Total Payments being maximized. If the Excise Tax is not eliminated pursuant to this paragraph, the Executive shall pay the Excise Tax.

(d) Notwithstanding any other provision of this Section 16, if (i) there is a reduction in the Total Payments as described in this Section 16, (ii) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive's net after−tax proceeds (calculated as if Executive's benefits had not previously been reduced), and (iii) Executive pays the Excise Tax, then the Company shall pay to Executive those payments or benefits which were reduced pursuant to this Section 16 as soon as administratively possible after Executive pays the Excise Tax (but not later than March 15 following the calendar year of the IRS determination) so that Executive's net after−tax proceeds with respect to the Total Payments are maximized.

17. Competition/Confidentiality.

(a) Acknowledgments by Executive. Executive acknowledges that (a) during the Term and as a part of Executive's employment, Executive has been and will be afforded access to Confidential Information (as defined below); (b) public disclosure of such Confidential Information could have an adverse effect on the Company and its business; (c) because Executive possesses substantial technical expertise and skill with respect to the Company's business, Company desires to obtain exclusive ownership of each invention by Executive while Executive is employed by the Company, and Company will be at a substantial competitive disadvantage if it fails to acquire exclusive ownership of each such invention by Executive; and (d) the provisions of this Section 17 are reasonable and necessary to prevent the improper use or disclosure of Confidential Information and to provide Company with exclusive ownership of all inventions and works made or created by Executive.

(b) Confidential Information. (i) The Executive acknowledges that during the Term Executive will have access to and may obtain, develop, or learn of Confidential Information (as defined below) under and pursuant to a relationship of trust and confidence. The Executive shall hold such Confidential Information in strictest confidence and never at any time, during or after Executive's employment terminates, directly or indirectly use for Executive's own benefit or otherwise (except in connection with the performance of any duties as an employee hereunder) any Confidential Information, or divulge, reveal, disclose or communicate any Confidential Information to any unauthorized person or entity in any manner whatsoever.

(ii) As used in this Agreement, the term “Confidential Information” shall include, but not be limited to, any of the following information relating to Company learned by the Executive during the Term or as a result of Executive's employment with Company:

(A) information regarding the Company's business proposals, manner of the Company's operations, and methods of selling or pricing any products or services;

(B) the identity of persons or entities actually conducting or considering conducting business with the Company, and any information in any form relating to such persons or entities and their relationship or dealings with the Company or its affiliates;

(C) any trade secret or confidential information of or concerning any business operation or business relationship;

(D) computer databases, software programs and information relating to the nature of the hardware or software and how said hardware or software is used in combination or alone;

(E) information concerning Company personnel, confidential financial information, customer or customer prospect information, information concerning subscribers, subscriber and

customer lists and data, methods and formulas for estimating costs and setting prices, engineering design standards, testing procedures, research results (such as marketing surveys, programming trials or product trials), cost data (such as billing, equipment and programming cost projection models), compensation information and models, business or marketing plans or strategies, deal or business terms, budgets, vendor names, programming operations, product names, information on proposed acquisitions or dispositions, actual performance compared to budgeted performance, long−range plans, internal financial information (including but not limited to financial and operating results for certain offices, divisions, departments, and key market areas that are not disclosed to the public in such form), results of internal analyses, computer programs and programming information, techniques and designs, and trade secrets;

(F) information concerning the Company's employees, officers, directors and shareholders; and

(G) any other trade secret or information of a confidential or proprietary nature.

(iii) Executive shall not make or use any notes or memoranda relating to any Confidential Information except for uses reasonably expected by Executive to be for the benefit of the Company, and will, at Company's request, return each original and every copy of any and all notes, memoranda, correspondence, diagrams or other records, in written or other form, that Executive may at any time have within his possession or control that contain any Confidential Information.

(iv) Notwithstanding the foregoing, Confidential Information shall not include information which has come within the public domain through no fault of or action by Executive or which has become rightfully available to Executive on a non−confidential basis from any third party, the disclosure of which to Executive does not violate any contractual or legal obligation such third party has to the Company or its affiliates with respect to such Confidential Information. None of the foregoing obligations and restrictions applies to any part of the Confidential Information that Executive demonstrates was or became generally available to the public other than as a result of a disclosure by Executive or by any other person bound by a confidentiality obligation to the Company in respect of such Confidential Information.

(v) Executive will not remove from the Company's premises (except to the extent such removal is for purposes of the performance of Executive's duties at home or while traveling, or except as otherwise specifically authorized by Company) any Company document, record, notebook, plan, model, component, device, or computer software or code, whether embodied in a disk or in any other form (collectively, the “Proprietary Items”). Executive recognizes that, as between Company and Executive, all of the Proprietary Items, whether or not developed by Executive, are the exclusive property of the Company. Upon termination of Executive's employment by either party, or upon the request of Company during the Term, Executive will return to Company all of the Proprietary Items in Executive's possession or subject to Executive's control, including all equipment (e.g., laptop computers, cell phone, portable e−mail devices, etc.), documents, files and data, and Executive shall not retain any copies, abstracts, sketches, or other physical embodiment of any such Proprietary Items.

18. Proprietary Developments.

(a) Any and all inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae (collectively, hereinafter referred to as “Developments”), made, conceived, developed, or created by Executive (alone or in conjunction with others, during regular work hours or otherwise) during Executive's employment, which may be directly or indirectly useful in, or relate to, the business conducted or to be conducted by the Company will be promptly disclosed by Executive to Company and shall be Company's exclusive property. The term “Developments” shall not

be deemed to include inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae which were in the possession of Executive prior to the Term. Executive hereby transfers and assigns to Company all proprietary rights which Executive may have or acquire in any Developments and Executive waives any other special right which the Executive may have or accrue therein. Executive will execute any documents and to take any actions that may be required, in the reasonable determination of Company's counsel, to effect and confirm such assignment, transfer and waiver, to direct the issuance of patents, trademarks, or copyrights to Company with respect to such Developments as are to be Company's exclusive property or to vest in Company title to such Developments; provided, however, that the expense of securing any patent, trademark or copyright shall be borne by Company. The parties agree that Developments shall constitute Confidential Information.

(b) "Work Made for Hire." Any work performed by Executive during Executive's employment with Company shall be considered a "Work Made for Hire" as defined in the U.S. Copyright laws, and shall be owned by and for the express benefit of Company. In the event it should be established that such work does not qualify as a Work Made for Hire, Executive agrees to and does hereby assign to Company all of Executive's right, title, and interest in such work product including, but not limited to, all copyrights and other proprietary rights.

19. Non−Competition and Non−Interference.

(a) Acknowledgments by Executive. Executive acknowledges and agrees that: (a) the services to be performed by Executive under this Agreement are of a special, unique, unusual, extraordinary, and intellectual character; (b) the Company competes with other businesses that are or could be located in any part of the United States; and (c) the provisions of this Section 19 are reasonable and necessary to protect the Company's business and lawful protectable interests, and do not impair Executive's ability to earn a living.

(b) Covenants of Executive. For purposes of this Section 19, the term "Restricted Period" shall mean the period commencing as of the date of this Agreement and terminating on the second anniversary (or, in the case of Section 19(b)(iii), the first anniversary), of the date Executive's employment terminated; provided that, the "Restricted Period" also shall encompass any period of time from whichever anniversary date is applicable until and ending on the last date Executive is to be paid any payment under Section 15 hereof. In consideration of the acknowledgments by Executive, and in consideration of the compensation and benefits to be paid or provided to Executive by Company, Executive covenants and agrees that during the Restricted Period, the Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other person or entity other than the Company:

(i) in the United States or any other country or territory where the Company then conducts its business: engage in, operate, finance, control or be employed by a "Competitive Business" (defined below); serve as an officer or director of a Competitive Business (regardless of where Executive then lives or conducts such activities); perform any work as an employee, consultant (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company), contractor, or in any other capacity with, a Competitive Business; directly or indirectly invest or own any interest in a Competitive Business (regardless of where Executive then lives or conducts such activities); or directly or indirectly provide any services or advice to a any business, person or entity who or which is engaged in a Competitive Business (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company).

A “Competitive Business” is any business, person or entity who or which, anywhere within that part of the United States, or that part of any other country or territory, where the Company conducts business; owns or operates a cable television system; provides direct television or any satellite−based, telephone system−based, internet based or wireless system for delivering television, music or other entertainment programming (other than as an ancillary service, such as cellular telephone providers); provides telephony services using any wired connection or fixed (as opposed to mobile) wireless application; provides data or internet access services; or offers, provides, markets or sells any service or product of a type that is offered or marketed by or directly competitive with a service or product offered or marketed by the Company at the time Executive's employment terminates; or who or which in any case is preparing or planning to do so. The provisions of this Section 19 shall not be construed or applied (i) so as to prohibit Executive from owning not more than five percent (5%) of any class of securities that is publicly traded on any national or regional securities exchange, as long as Executive's investment is passive and Executive does not lend or provide any services or advice to such business or otherwise violate the terms of this Agreement in connection with such investment; or (ii) so as to prohibit Executive from working as an employee in the cable television business for a company/business that owns or operates cable television franchises (by way of current example only, Time Warner, Cablevision, Cox or Comcast), provided that the company/business is not providing cable services in any political subdivision/ geographic area where the Company has a franchise or provides cable services (other than nominal overlaps of service areas) and the company/business is otherwise not engaged in a Competitive Business, and provided Executive does not otherwise violate the terms of this Agreement in connection with that work;

(ii) contact, solicit or provide any service to any person or entity that was a customer franchisee, or prospective customer of the Company at any time during Executive's employment (a prospective customer being one to whom the Company had made a business proposal within twelve (12) months prior to the time Executive's employment terminated); or directly solicit or encourage any customer, franchisee or subscriber of the Company to purchase any service or product of a type offered by or competitive with any product or service provided by the Company, or to reduce the amount or level of business purchased by such customer, franchisee or subscriber from the Company; or take away or procure for the benefit of any competitor of the Company, any business of a type provided by or competitive with a product or service offered by the Company; or

(iii) solicit or recruit for employment, any person or persons who are employed by Company or any of its subsidiaries or affiliates, or who were so employed at any time within a period of six (6) months immediately prior to the date Executive's employment terminated, or otherwise interfere with the relationship between any such person and the Company; nor will the Executive assist anyone else in recruiting any such employee to work for another company or business or discuss with any such person his or her leaving the employ of the Company or engaging in a business activity in competition with the Company. This provision shall not apply to secretarial, clerical, custodial or maintenance employees.

If Executive violates any covenant contained in this Section 19, then the term of the covenants in this Section shall be extended by the period of time Executive was in violation of the same.

(c) Provisions Pertaining to the Covenants. Executive recognizes that the existing business of the Company extends to various locations and areas throughout the United States and may extend hereafter to other countries and territories and agrees that the scope of Section 19 shall extend to any part of the United States, and any other country or territory, where the Company operates or conducts business, or has concrete plans to do so at the time Executive's employment terminates. It is agreed that the Executive's services hereunder are special, unique, unusual and extraordinary giving them peculiar value, the loss of which cannot be reasonably or adequately compensated for by damages, and in the event of the Executive's breach of this Section, Company shall be entitled to equitable relief by way of injunction or otherwise in

addition to the cessation of payments and benefits hereunder. If any provision of Sections 17, 18 or 19 of this Agreement is deemed to be unenforceable by a court (whether because of the subject matter of the provision, the duration of a restriction, the geographic or other scope of a restriction or otherwise), that provision shall not be rendered void but the parties instead agree that the court shall amend and alter such provision to such lesser degree, time, scope, extent and/or territory as will grant Company the maximum restriction on Executive's activities permitted by applicable law in such circumstances. Company's failure to exercise its rights to enforce the provisions of this Agreement shall not be affected by the existence or non existence of any other similar agreement for anyone else employed by Company or by Company's failure to exercise any of its rights under any such agreement.

(d) Notices. In order to preserve Company's rights under this Agreement, Company is authorized to advise any potential or future employer, any third party with whom Executive may become employed or enter into any business or contractual relationship with, and any third party whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and Company shall not be liable for doing so.

(e) Injunctive Relief and Additional Remedy. Executive acknowledges that the injury that would be suffered by Company as a result of a breach of the provisions of this Agreement (including any provision of Sections 17, 18 and 19) would be irreparable and that an award of monetary damages to Company for such a breach would be an inadequate remedy. Consequently, Company will have the right, in addition to any other rights it may have, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and Company will not be obligated to post bond or other security in seeking such relief. Without limiting Company's rights under this Section or any other remedies of Company, if Executive breaches any of the provisions of Sections 17, 18 or 19, Company will have the right to cease making any payments otherwise due to Executive under this Agreement.

(f) Covenants of Sections 17, 18 and 19 are Essential and Independent Covenants. The covenants by Executive in Sections 17, 18 and 19 are essential elements of this Agreement, and without Executive's agreement to comply with such covenants, Company would not have entered into this Agreement or employed Executive. Company and Executive have independently consulted their respective counsel and have been advised in all respects concerning the reasonableness and propriety of such covenants, with specific regard to the nature of the business conducted by Company. Executive's covenants in Sections 17, 18 and 19 are independent covenants and the existence of any claim by Executive against Company, under this Agreement or otherwise, will not excuse Executive's breach of any covenant in Section 17, 18 or 19. If Executive's employment hereunder is terminated, this Agreement will continue in full force and effect as is necessary or appropriate to enforce the covenants and agreements of Executive in Sections 17, 18 and 19. The Company's right to enforce the covenants in Sections 17, 18 and 19 shall not be adversely affected or limited by the Company's failure to have an agreement with another employee with provisions at least as restrictive as those contained in Sections 17, 18 or 19 , or by the Company's failure or inability to enforce (or agreement not to enforce) in full the provisions of any other or similar agreement containing one or more restrictions of the type specified in Sections 17, 18 and 19 of this Agreement.

20. Executive's Representations And Further Agreements.

(a) Executive represents, warrants and covenants to Company that:

(i) Neither the execution and delivery of this Agreement by Executive nor the performance of any of Executive's duties hereunder in accordance with the Agreement will violate, conflict with or result in the breach of any order, judgment, employment contract, agreement not to compete or other

agreement or arrangement to which Executive is a party or is subject;

(ii) On or prior to the date hereof, Executive has furnished to Company true and complete copies of all judgments, orders, written employment contracts, agreements not to compete, and other agreements or arrangements restricting Executive's employment or business pursuits, that have current application to Executive;

(iii) Executive is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, and that prior to assenting to the terms of this Agreement, or giving the representations and warranties herein, Executive has been given a reasonable time to review it and has consulted with counsel of Executive's choice; and

(iv) Executive has not provided, nor been requested by Company to provide, to Company, any confidential or non public document or information of a former employer that constitutes or contains any protected trade secret, and will not use any protected trade secrets in connection with the Executive's employment.

(b) During and subsequent to expiration of the Term, the Executive will cooperate with Company, and furnish any and all complete and truthful information, testimony or affidavits in connection with any matter that arose during the Executive's employment, that in any way relates to the business or operations of the Company or any of its parent or subsidiary corporations or affiliates, or of which the Executive may have any knowledge or involvement; and will consult with and provide information to Company and its representatives concerning such matters. Executive shall fully cooperate with Company in the protection and enforcement of any intellectual property rights that relate to services performed by Executive for Company, whether under the terms of this Agreement or prior to the execution of this Agreement. This shall include without limitation executing, acknowledging, and delivering to Company all documents or papers that may be necessary to enable Company to publish or protect such intellectual property rights. Subsequent to the Term, the parties will make their best efforts to have such cooperation performed at reasonable times and places and in a manner as not to unreasonably interfere with any other employment in which Executive may then be engaged. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony, sworn statement or declaration that is not complete and truthful. If Company requires the Executive to travel outside the metropolitan area in the United States where the Executive then resides to provide any testimony or otherwise provide any such assistance, then Company will reimburse the Executive for any reasonable, ordinary and necessary travel and lodging expenses incurred by Executive to do so provided the Executive submits all documentation required under Company's standard travel expense reimbursement policies and as otherwise may be required to satisfy any requirements under applicable tax laws for Company to deduct those expenses. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony or affidavit that is not complete and truthful.

21. Mutual Non−Disparagement. Neither the Company nor Executive shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation in the business or legal community or in the telecommunications industry.

22. Foreign Corrupt Practices Act. Executive agrees to comply in all material respects with the applicable provisions of the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, which provides generally that: under no circumstances will foreign officials, representatives, political parties or holders of public offices be offered, promised or paid any money, remuneration, things of value, or provided any other benefit, direct or indirect, in connection with obtaining or maintaining contracts or orders hereunder. When any representative, employee, agent, or other individual or organization associated with Executive is

required to perform any obligation related to or in connection with this Agreement, the substance of this section shall be imposed upon such person and included in any agreement between Executive and any such person. Failure by Executive to comply with the provisions of the FCPA shall constitute a material breach of this Agreement and shall entitle the Company to terminate Executive's employment for Cause.

23. Purchases and Sales of the Company's Securities. Executive has read and agrees to comply in all respects with the Company's Securities Trading Policy regarding the purchase and sale of the Company's securities by employees, as such Policy may be amended from time to time. Specifically, and without limitation, Executive agrees that Executive shall not purchase or sell stock in the Company at any time (a) that Executive possesses material non−public information about the Company or any of its businesses; and (b) during any "Trading Blackout Period" as may be determined by the Company as set forth in the Policy from time to time.

24. Indemnification.

(a)If Executive is made a party or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, a "Covered Person"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection therewith; provided, however, that, except as provided in Section 24(e) hereof with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

(b)The Company shall pay the expenses (including attorneys' fees) incurred by Executive in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"), provided, however, that, if the Delaware General Corporation Law so requires, an advancement of expenses incurred by Executive in his or her capacity as such shall be made only upon delivery to the Company of an undertaking (hereinafter, an "Undertaking"), by or on behalf of such Executive, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "Final Adjudication") that Executive was not entitled to be indemnified for such expenses under this Section 24 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Subsections 24(a) and (b) hereof shall be contract rights and such rights shall continue even after Executive ceases to be employed by the Company and shall inure to the benefit of Executive's heirs, executors and administrators.

(c)If a claim under Section 24(a) or (b) hereof is not paid in full by the Company within sixty (60) days after a written claim therefore has been received by the Company, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, Executive may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If Executive is successful in whole or in part in any such suit, or in a suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, Executive shall be entitled to be paid

also the expense of prosecuting or defending such suit. In (i) any suit brought by Executive to enforce a right to indemnification hereunder (but not in a suit brought by Executive to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses upon a final adjudication that, Executive has not met the applicable standard for indemnification set forth in the Delaware General Corporation Law. To the fullest extent permitted by law, neither the failure of the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of Executive is proper in the circumstances because the Executive has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct or, in the case of such a suit brought by Executive, be a defense to such suit. In any suit brought by Executive to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that Executive is not entitled to be indemnified, or to such advancement of expenses, under this Section 24 or otherwise shall, to the extent permitted by law, be on the Company.

(d)The rights to indemnification and to the advancement of expenses conferred in this Section 24 shall not be exclusive of any other right of indemnification which Executive or any other person may have or hereafter acquire by any statute, the Company's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, including all rights of indemnification provided by the Indemnification Agreement entered into by Executive and the Company dated as of December 1, 2009.

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

25. Withholding. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Executive or his estate or beneficiary shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to applicable law or regulation.

26. Notices. Any written notice required by this Agreement will be deemed provided and delivered to the intended recipient when (a) delivered in person by hand; or (b) three days after being sent via U.S. certified mail, return receipt requested; or (c) the day after being sent via by overnight courier, in each case when such notice is properly addressed to the following address and with all postage and similar fees having been paid in advance:

If to the Company: Charter Communications, Inc.
Attn.: Human Resources
12405 Powerscourt Drive
St. Louis, MO 63131

If to Executive: 6399 South Fiddler's Green Circle 6th Fl
Greenwood Village, CO 80111

Either party may change the address to which notices, requests, demands and other communications

to such party shall be delivered personally or mailed by giving written notice to the other party in the manner described above.

27. Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where applicable, assigns.

28. Entire Agreement. As of the Effective Date, the Executive and the Company hereby irrevocably agree that the Old Employment Agreement is hereby terminated in its entirety, and neither party thereto shall have any rights or obligations under the Old Employment Agreement, including but not limited to, in the case of the Executive, any right to any severance payment or benefit. This Agreement constitutes the entire agreement between the listed parties with respect to the subject matter described in this Agreement and supersedes all prior agreements, understandings and arrangements, both oral and written, between the parties with respect to such subject matter, except to the extent said agreements, understandings and arrangements are referenced or referred to in this Agreement. This Agreement may not be modified, amended, altered or rescinded in any manner, except by written instrument signed by both of the parties hereto; provided, however, that the waiver by either party of a breach or compliance with any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or compliance. Except to the extent the terms hereof are explicitly and directly inconsistent with the terms of the Plan, nothing herein shall be deemed to override or replace the terms of the Plan, including but not limited to sections 6.4, 9.4 and 10.4 thereof.

29. Severability. In case any one or more of the provisions of this Agreement shall be held by any court of competent jurisdiction or any arbitrator selected in accordance with the terms hereof to be illegal, invalid or unenforceable in any respect, such provision shall have no force and effect, but such holding shall not affect the legality, validity or enforceability of any other provision of this Agreement provided that the provisions held illegal, invalid or unenforceable does not reflect or manifest a fundamental benefit bargained for by a party hereto.

30. Assignment. Subject to the Executive's right to terminate in the event of a Change of Control hereunder, this Agreement can be assigned by the Company only to a company that controls, is controlled by, or is under common control with the Company and which assumes all of the Company's obligations hereunder. The duties and covenants of Executive under this Agreement, being personal, may not be assigned or delegated except that Executive may assign payments due hereunder to a trust established for the benefit of Executive's family or to Executive's estate or to any partnership or trust entered into by Executive and/or Executive's immediate family members (meaning, Executive's spouse and lineal descendants). This agreement shall be binding in all respects on permissible assignees.

31. Notification. In order to preserve the Company's rights under this Agreement, the Company is authorized to advise any third party with whom Executive may become employed or enter into any business or contractual relationship with, or whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and the Company shall not be liable for doing so.

32. Choice of Law/Jurisdiction. This Agreement is deemed to be accepted and entered into in St. Louis County, Missouri. Executive and the Company intend and hereby acknowledge that jurisdiction over disputes with regard to this Agreement, and over all aspects of the relationship between the parties hereto, shall be governed by the laws of the State of Missouri without giving effect to its rules governing conflicts of laws. Executive agrees that in any suit to enforce this Agreement, or as to any dispute that arises between the Company and the Executive regarding or relating to this Agreement and/or any aspect of Executive's employment relationship with Company, venue and jurisdiction are proper in the County of St.

Louis, and (if federal jurisdiction exists) the United States District Court for the Eastern Division of Missouri in St. Louis, and Executive waives all objections to jurisdiction and venue in any such forum and any defense that such forum is not the most convenient forum.

33. Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any manner the meaning or interpretation of this Agreement.

34. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

35. Section 409A Compliance. The Company and Executive intend that the provisions of this Agreement comply with the requirements of Code Section 409A and the regulations and guidance issued thereunder and be interpreted in accordance therewith. Executive will not have any discretion to designate the taxable year of payment of any amounts subject to Section 409A under any provision of this Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

CHARTER COMMUNICATIONS, INC.

By: /s/ Michael Lovett
Name:
Title:

EXECUTIVE

/s/Steven E. Apodaca
Name: _____
Address: _____

Exhibit 10.32(b)

LETTER AGREEMENT AND AMENDMENT TO EMPLOYMENT AGREEMENT

THIS LETTER AGREEMENT ("Agreement") is dated and effective as of December 31, 2011, between CHARTER COMMUNICATIONS, INC., a Delaware corporation (the "Company"), and Donald Detampel, (the "Executive").

WHEREAS, the Executive and the Company have previously entered into an Employment Agreement dated October 13, 2010, ("Employment Agreement") and the parties desire to amend the Employment Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. The Employment Agreement shall be amended to add the following proviso to Section 15(h) to the Employment Agreement:

> "; provided that, and notwithstanding anything in this Agreement to the contrary, if Executive terminates his or her employment for Good Reason or if the Company terminates Executive's employment other than for Cause or Executive's death or Disability on or prior to December 31, 2013, Executive shall receive an amount equal to two (2) times the Executive's then−current rate of Annual Base Salary and Target Bonus, which total sum shall be payable immediately following the Date of Termination in fifty−two (52) equal bi−weekly installments in accordance with the Company's normal payroll practices commencing with the next payroll date immediately following the 30 day anniversary of the Date of Termination."

2. All other provisions of the Employment Agreement shall remain in full force and effect.

3. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

CHARTER COMMUNICATIONS, INC.
By: /s/ Abigail Pfeiffer
Print Name: Abigail Pfeiffer
Title: SVP, Human Resources

EXECUTIVE

By: /s/Donald Detampel
Print Name: Donald Detampel

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated and effective on October 13, 2010 (the "Effective Date") is made by and between CHARTER COMMUNICATIONS, INC., a Delaware corporation (the "Company"), and DONALD DETAMPEL (the "Executive").

RECITALS:

WHEREAS, it is the desire of the Company to assure itself of the services of Executive by engaging Executive as its Executive Vice President and President, Commercial Services and the Executive desires to serve the Company on the terms herein provided;

WHEREAS, Executive's agreement to the terms and conditions of Sections 18, 19 and 20 are a material and essential condition of Executive's employment with the Company hereafter under the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1.Certain Definitions.

(a)"Allen" shall mean Paul G. Allen (and his heirs or beneficiaries under his will(s), trusts or other instruments of testamentary disposition), and any entity or group over which Paul G. Allen has Control and that constitutes a Person as defined herein. For the purposes of this definition, "Control" means the power to direct the management and policies of an entity or to appoint or elect a majority of its governing board.

(b)"Annual Base Salary" shall have the meaning set forth in Section 5.

(c)"Board" shall mean the Board of Directors of the Company.

(d)"Bonus" shall have the meaning set forth in Section 6.

(e)The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i)Executive's breach of a material obligation (which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach) or representation under this Agreement or breach of any fiduciary duty to the Company which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach; or any act of fraud or knowing material misrepresentation or concealment upon, to or from the Company or the Board;

(ii)Executive's failure to adhere in any material respect to (i) the Company's Code of Conduct in effect from time to time and applicable to officers and/or employees generally, or (ii) any written Company policy, if such policy is material to the effective performance by Executive of the Executive's duties under this Agreement, and if Executive has been given a reasonable opportunity to cure this failure to comply within a period of time which is

(iii) reasonable under the circumstances but not more than the thirty (30) day period after written notice of such failure is provided to Executive; provided that if Executive cures this failure to comply with such a policy and then fails again to comply with the same policy, no further opportunity to cure that failure shall be required;

(iv)Executive's misappropriation (or attempted misappropriation) of a material amount of the Company's funds or property;

(v)Executive's conviction of, the entering of a guilty plea or plea of nolo contendere or no contest (or the equivalent), or entering into any pretrial diversion program or agreement or suspended imposition of sentence, with respect to either a felony or a crime that adversely affects or could reasonably be expected to adversely affect the Company or its business reputation; or the institution of criminal charges against Executive, which are not dismissed within sixty (60) days after institution, for fraud, embezzlement, any felony offense involving dishonesty or constituting a breach of trust or moral turpitude;

(vi)Executive's admission of liability of, or finding of liability, for a knowing and deliberate violation of any "Securities Laws." As used herein, the term "Securities Laws" means any federal or state law, rule or regulation governing generally the issuance or exchange of securities, including without limitation the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

(vii)conduct by Executive in connection with Executive's employment that constitutes gross neglect of any material duty or responsibility, willful misconduct, or recklessness which, if curable, is not cured within ten business (10) days after Executive receives written notice of such breach;

(viii)Executive's illegal possession or use of any controlled substance, or excessive use of alcohol at a work function, in connection with Executive's duties, or on Company premises; "excessive" meaning either repeated unprofessional use or any single event of consumption giving rise to significant intoxication or unprofessional behavior;

(ix)Executive's willful or grossly negligent commission of any other act or failure to act in connection with the Executive's duties as an executive of the Company which causes or reasonably may be expected (as of the time of such occurrence) to cause substantial economic injury to or substantial injury to the business reputation of the Company or any subsidiary or affiliate of the Company, including, without limitation, any material violation of the Foreign Corrupt Practices Act, as described herein below.

If Executive commits or is charged with committing any offense of the character or type specified in subparagraphs 1(e)(iv), (v) or (viii) above, then the Company at its option may suspend the Executive with or without pay. If the Executive subsequently is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any such offense (or any matter that gave rise to the suspension), the Executive shall immediately repay any compensation paid in cash hereunder from the date of the suspension. Notwithstanding anything to the contrary in any stock option or equity incentive plan or award agreement, all vesting and all lapsing of restrictions on restricted shares shall be tolled during the period of suspension and all unvested options and restricted shares for which the restrictions have not lapsed shall terminate and not be exercisable by or issued to Executive if during

or after such suspension the Executive is convicted of, pleads guilty or nolo contendere (or equivalent plea) to, or enters into any type of suspended imposition of sentence or pretrial diversion program with respect to, any offense specified in subparagraphs 1(e)(iv), (v) or (viii) above or any matter that gave rise to the suspension.

(f) "Change of Control" shall mean the occurrence of any of the following events:

(i)an acquisition of any voting securities of the Company by any "Person" or "Group" (as those terms are used for purposes of Section 13(d) or 14(d) of the Exchange Act of 1934, amended (the "Exchange Act")), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d−3 promulgated under the Exchange Act) of thirty−five percent (35%) or more of the combined voting power of the Company's then outstanding voting securities; provided, however, that voting securities which are acquired in a "Non−Control Transaction" (as hereinafter defined) assuming that the acquisition of voting securities for this purpose qualifies as Merger (as hereinafter defined) shall not constitute a Change of Control; and provided further that an acquisition of Beneficial Ownership of less than fifty percent (50%) of the Company's then outstanding voting securities by any Equity Backstop Party (as defined in the Joint Plan) or the Allen Entities (as defined in the Joint Plan) shall not be considered to be a Change of Control under this clause (i);

(ii)the individuals who, as of immediately after the effective date of the Company's Chapter 11 plan of reorganization (the "Emergence Date"), are members of the Board (the "Incumbent Board"), cease for any reason to constitute a majority of the Board; provided, however, that if the election, or nomination for election by the Company's common stockholders, of any new director (excluding any director whose nomination or election to the Board is the result of any actual or threatened proxy contest or settlement thereof) was approved by a vote of at least two−thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board;

(iii)the consummation of a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued (a "Merger"), unless such Merger is a Non−Control Transaction. A "Non−Control Transaction" shall mean a Merger where: (1) the stockholders of the Company, immediately before such Merger own directly or indirectly immediately following such Merger more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the entity resulting from such Merger or its controlling parent entity (the "Surviving Entity"), (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors (or similar governing body) of the Surviving Entity, and (3) no Person other (X) than the Company, its subsidiaries or affiliates or any of their respective employee benefit plans (or any trust forming a part thereof) that, immediately prior to such Merger was maintained by the Company or any subsidiary or affiliate of the Company, or (Y) any Person who, immediately prior to such Merger had Beneficial Ownership of thirty−five percent (35%) or more of the then outstanding voting securities of the Company, has Beneficial Ownership of thirty−five percent (35%) or more of the combined voting power of the outstanding voting securities or common stock of the Surviving Entity; provided that this clause (Y) shall not trigger a Change of Control solely because, after such Merger, any Equity Backstop Party or any Allen Entity has Beneficial Ownership of more than thirty−five percent (35%) but less than fifty percent (50%) of the combined voting power of the outstanding voting securities

or common stock of the Surviving Entity;

(iv)complete liquidation or dissolution of the Company (other than where assets of the Company are transferred to or remain with subsidiaries of the Company); or

(v)the sale or other disposition of all or substantially all of the assets of the Company and its direct and indirect subsidiaries on a consolidated basis, directly or indirectly, to any Person (other than a transfer to a subsidiary or affiliate of the Company unless, such sale or disposition constitutes a Non−Control Transaction with the disposition of assets being regarded as a Merger for this purpose or the distribution to the Company's stockholders of the stock of a subsidiary or affiliate of the Company or any other assets).

Notwithstanding the foregoing a Change of Control shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the "Joint Plan."

(g)"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(h)"Committee" shall mean either the Compensation and Benefits Committee of the Board, or a Subcommittee of such Committee duly appointed by the Board or the Committee or any successor to the functions thereof.

(i)"Company" shall have the meaning set forth in the preamble hereto.

(j)"Company Stock" shall mean the Class A common stock of the Company issued in connection with the Company's emergence from its Chapter 11 reorganization and any stock received in exchange therefor.

(k)"Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death and (ii) if Executive's employment is terminated pursuant to Section 15(a)(ii)−(vi), the date of termination of employment, as defined in 409(A) regulations under the Code.

(l)For purposes of this Agreement, Executive will be deemed to have a "Disability" if, due to illness, injury or a physical or medically recognized mental condition, (a) Executive is unable to perform Executive's duties under this Agreement with reasonable accommodation for 120 consecutive days, or 180 days during any twelve month period, as determined in accordance with this Section, or (b) Executive is considered disabled for purposes of receiving / qualifying for long term disability benefits under any group long term disability insurance plan or policy offered by Company in which Executive participates. The Disability of Executive will be determined by a medical doctor selected by written agreement of Company and Executive upon the request of either party by notice to the other, or (in the case of and with respect to any applicable long term disability insurance policy or plan) will be determined according to the terms of the applicable long term disability insurance policy / plan. If Company and Executive cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether Executive has a Disability. The determination of the medical doctor selected under this Section will be binding on both parties. Executive must submit to a reasonable number of examinations by the medical doctor making the determination of

Disability under this Section, and to other specialists designated by such medical doctor, and Executive hereby authorizes the disclosure and release to Company of such determination and all supporting medical records. If Executive is not legally competent, Executive's legal guardian or duly authorized attorney−in−fact will act in Executive's stead under this Section for the purposes of submitting Executive to the examinations, and providing the authorization of disclosure, required under this Section.

(m)“Executive” shall have the meaning set forth in the preamble hereto.

(n)“Good Reason” shall mean any of the events described herein that occur without Executive's prior written consent: (i) any reduction in Executive's Annual Base Salary, Target Bonus Percentage, or title except as permitted hereunder, (ii) any failure to pay Executive's compensation hereunder when due; (iii) any material breach by the Company of a term hereof; (iv) relocation of Executive's primary workplace to a location that is more than fifty (50) miles from the office where Executive is then assigned to work as Executive's principal office; (v) a transfer or reassignment to another executive of material responsibilities that have been assigned to Executive (and were not identified by the Company to be assigned only on an interim basis at the time of assignment or thereafter) and generally are part of the responsibilities and functions assigned to an Executive Vice President and President of a business similar to Charter Business that is part of a public corporation unless a Non−renewal Notice has been delivered to Executive at any time within one hundred ninety (190) days prior to the end of the term of this Agreement (in each case “(i)” through “(v)” only if Executive objects in writing within 30 days after being informed of such events and unless Company retracts and/or rectifies the claimed Good Reason within 30 days following Company's receipt of timely written objection from Executive); (vi) if within six months after a Change of Control, Executive has not received an offer from the surviving company to continue in his or her position immediately prior to such Change of Control under at least the same terms and conditions (except that the value of equity−based compensation after such Change of Control need only be commensurate with the value of equity−based compensation given to executives with equivalent positions in the surviving company, if any) as set herein; or (vii) the failure of a successor to the business of the Company to assume the Company's obligations under this Agreement in the event of a Change of Control during its term.

(o)“Notice of Termination” shall have the meaning set forth in Section 15(b).

(p)“Non−renewal Notice” shall have the meaning set forth in Section 2.

(q)“Options” shall have the meaning set forth in Section 7.

(r)“Performance Unit” and “Performance Shares” shall have the meaning set forth in Section 7 hereof.

(s)“Person” shall have the meaning set forth in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934.

(t)“Plan” shall mean the 2009 Stock Incentive Plan as amended by the Company from time to time.

(u)“Restricted Shares” shall have the meaning set forth in Section 7.

(v)“Term” shall have the meaning set forth in Section 2.

(w)“Voluntary” and “Voluntarily” in connection with Executive's termination of employment shall mean a termination of employment resulting from the initiative of the Executive, excluding a termination of employment attributable to Executive's death or Disability. A resignation by Executive that is in response to a communicated intent by the Company to discharge Executive other than for Cause is not considered to be “Voluntary” and shall be considered to be a termination by the Company for the purposes of this Agreement.

(x)“Joint Plan” means the joint plan of reorganization of the Company, Charter Investment, Inc. and the Company's direct and indirect subsidiaries filed pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101−1532s, on March 27, 2009.

2.Employment Term. The Company hereby employs the Executive, and the Executive hereby accepts employment, under the terms and conditions hereof, for the period (the “Term”) beginning on the Effective Date hereof and terminating upon the earlier of (i) October 13, 2012 (the “Initial Term”) and (ii) the Date of Termination as defined in Section 1(k). The Company may, in its sole disretion, extend the term of this Agreement for additional one−year periods. If the Company fails to provide Executive with at least one hundred eighty (180) days notice prior to the end of the Initial Term or any extension thereof of the Company's intent to not renew this Agreement (the “Non−renewal Notice”), the Initial Term or any previous extension thereof shall be extended one day for each day the Company does not provide the Non−renewal Notice.

3.Position and Duties. Executive shall serve as Executive Vice President and President, Commercial Services reporting to the Chief Executive Officer, with such responsibilities, duties and authority as are customary for such role, including, but not limited to, overall management responsibility for the Company's services known as Charter Business.

4.Place of Performance. In connection with Executive's employment during the Term, Executive's initial primary workplace shall be the Company's offices in or near Denver, Colorado except for necessary travel on the Company's business.

5.Annual Base Salary. During the Term, Executive shall receive a base salary at a rate not less than $600,000 per annum (the “Annual Base Salary”), less standard deductions, paid in accordance with the Company's general payroll practices for executives, but no less frequently than monthly. The Annual Base Salary shall compensate Executive for any official position or directorship of a subsidiary or affiliate that Executive is asked to hold in the Company or its subsidiaries or affiliates as a part of Executive's employment responsibilities. No less frequently than annually during the Term, the Committee, on advice of the Company's Chief Executive Officer, shall review the rate of Annual Base Salary payable to Executive, and may, in its discretion, increase the rate of Annual Base Salary payable hereunder; provided, however, that any increased rate shall thereafter be the rate of “Annual Base Salary” hereunder.

6.Bonus. Except as otherwise provided for herein, for each fiscal year or other period consistent with the Company's then−applicable normal employment practices during which Executive is employed hereunder on the last day (the “Bonus Year”), Executive shall be eligible to receive a bonus (the “Bonus”) in an amount equal to 75% of Executive's Annual Base Salary (if target levels of performance for that year are achieved, the “Target Bonus”); provided that any Bonus earned for

2010 shall be prorated to apply to the portion of the year that Executive was employed with the Company. Payment of the Bonus shall be pursuant to, and as set forth in, the terms of the Executive Bonus Plan as such Plan may be amended from time to time, with such Bonus and other bonuses, if any, being paid on or before March 15 of the year next following the Bonus Year.

7.Long−Term Incentive Compensation. For each calendar year that ends during the Term, Executive may, in the sole discretion of the Committee, be granted long−term incentive compensation awards (each an "Annual LTI Grant") at the time such awards are granted to senior executives of the Company generally, provided that Executive remains continuously employed by the Company through each such grant date. Each Annual LTI Grant, if any, shall be in the form of Options (options to purchase shares of Company Stock), Restricted Stock (restricted shares of Company Stock), and/or Performance Shares (performance share units subject to performance vesting conditions), as determined by the Committee. Any Annual LTI Grants shall be subject to the terms and conditions of the Plan, and to the customary forms of award agreement then used thereunder for Plan participants generally, to the extent consistent with this Agreement.

8.Sign − On Long−Term Incentive Compensation. As of the first day of employment, Executive shall be granted the following long−term incentive compensation awards (collectively, the "Sign − On Grants"):

(a)16,000 shares of the Company Stock (the "Stock Grant");

(b)54,000 restricted shares of the Company Stock, which shall be subject to restrictions on their sale as set forth in the Plan and the form of Restricted Shares Grant Agreement set forth on Exhibit A (the "Restricted Shares Grant"); and

(c)options to purchase 35,000 shares of the Company Stock, which shall be subject to the form of Stock Option Grant Agreement set forth on Exhibit B (the "Stock Option Grant").

In the event that Executive's employment with the Company terminates at any time on or before October 13, 2011, either as the result of termination by the Company for Cause or by Executive other than for Good Reason (all determined in accordance with this Agreement), Executive shall be required to repay to the Company, on a net after−tax basis (determined after taking into account available deductions), an amount equal to the market value of the Stock Grant on the Date of Termination. Any amount required to be repaid under this Section 8 shall be repaid to the Company no later than thirty (30) days following the Date of Termination.

9.Sign − On Bonus. Executive shall be entitled to receive a cash payment equal to $150,000, payable in a single lump−sum within thirty (30) days following the Effective Date (the "Sign On Bonus"). In the event that Executive's employment with the Company terminates at any time on or before October 13, 2011, either as the result of termination by the Company for Cause or by Executive other than for Good Reason (all determined in accordance with this Agreement), Executive shall be required to repay to the Company, on a net after−tax basis (determined after taking into account available deductions), an amount equal to the Sign On Bonus. Any amount required to be repaid under this Section 9 shall be repaid to the Company no later than thirty (30) days following the Date of Termination.

10.Other Bonus Plans. The Committee may, in its discretion, grant to Executive a right

to participate in any other bonus or retention plan that the Committee may decide to establish for executives, but nothing herein shall require the Committee to do so.

11.Time and Efforts. During the Term, Executive shall devote substantially all of his business time and efforts to the business and affairs of the Company. However, nothing in this Agreement shall preclude Executive from: (i) serving on the boards of a reasonable number of trade associations and charitable organizations, (ii) engaging in charitable activities and community affairs, (iii) accepting and fulfilling a reasonable number of speaking engagements, (iv) managing his personal investments and affairs and (v) serving on the board of two (2) business entities approved by the Chief Executive Officer; provided that such activities do not, either individually or in the aggregate, interfere with the proper performance of his duties and responsibilities hereunder; create a conflict of interest; or violate any provision of this Agreement.

12.Benefits. Executive shall be entitled to receive such benefits and to participate in such employee group benefit plans, including life, health and disability insurance policies, and financial planning services, and other perquisites and plans as are generally provided by the Company to its senior executives of comparable level and responsibility in accordance with the plans, practices and programs of the Company, as amended from time to time; provided that, Executive shall not participate in any severance plan of the Company.

13.Expenses. The Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in connection with the performance of Executive's duties as an employee of the Company in accordance with the Company's generally applicable policies and procedures. Such reimbursement is subject to the submission to the Company by Executive of appropriate documentation and/or vouchers in accordance with the customary procedures of the Company for expense reimbursement, as such procedures may be revised by the Company from time to time hereafter. In no event will an expense be reimbursed later than the last day of the calendar year following the calendar in year in which such expense is incurred.

14.Vacations. Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect from time to time provided that, in no event shall Executive be entitled to less than three (3) weeks vacation per calendar year. Executive shall also be entitled to paid holidays and personal days in accordance with the Company's practice with respect to same as in effect from time to time.

15.Termination.

(a)Executive's employment hereunder may be terminated by the Company, on the one hand, or Executive, on the other hand, as applicable, without any breach of this Agreement, under the following circumstances:

(i)Death. Executive's employment hereunder shall automatically terminate upon Executive's death.

(ii)Disability. If Executive has incurred a Disability, the Company may give Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 14th day after delivery of such notice to Executive, provided that within the 14 days after such delivery, Executive shall not have returned to full−time performance of Executive's duties. Executive

may provide notice to the Company of Executive's resignation on account of a bona fide Disability at any time.

(iii)Cause. The Company may terminate Executive's employment hereunder for Cause effectively immediately upon delivery of notice to Executive, taking into account any procedural requirements set forth under Section 1(e) above.

(iv)Good Reason. Executive may terminate Executive's employment herein for Good Reason upon (i) satisfaction of any advance notice and other procedural requirements set forth under Section 1(n) above for any termination pursuant to Section 1(n)(i) through (v) or (ii) at least 30 days' advance written notice by the Executive for any termination pursuant to Section 1(n)(vi) through (vii).

Notwithstanding the foregoing, Good Reason shall not occur solely based on a filing of a Chapter 11 reorganization proceeding of the Company or the implementation of the Joint Plan.

(v) Without Cause. The Company may terminate Executive's employment hereunder without Cause upon at least 30 days' advance written notice to the Executive.

(vi) Resignation Without Good Reason. Executive may resign Executive's employment without Good Reason upon at least fourteen (14) days' written notice to the Company.

(b)Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 15 (other than pursuant to Sections 15(a)(i)) shall be communicated by a written notice (the “Notice of Termination”) to the other party hereto, indicating the specific termination provision in this Agreement relied upon, setting forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and specifying a Date of Termination which notice shall be delivered within the applicable time periods set forth in subsections 15(a)(ii)−(vi) above (the “Notice Period”); provided that, the Company may pay to Executive all Annual Base Salary, benefits and other rights due to Executive during such Notice Period instead of employing Executive during such Notice Period.

(c)Resignation from Representational Capacities. Executive hereby acknowledges and agrees that upon Executive's termination of employment with the Company for whatever reason, Executive shall be deemed to have, and shall have in fact, effectively resigned from all executive, director, offices, or other positions with the Company or its affiliates at the time of such termination of employment, and shall return all property owned by the Company and in Executive's possession, including all hardware, files and documents, at that time.

(d)Termination in Connection with Change of Control. If Executive's employment is terminated by the Company without Cause or a Non−renewal Notice has been delivered to Executive either upon or within thirty days before or thirteen (13) months after a Change of Control, or prior to a Change of Control at the request of a prospective purchaser whose proposed purchase would constitute a Change of Control upon its completion, such termination or delivery of a Non−renewal Notice shall be deemed to constitute a termination by the Company without Cause and shall be deemed to have occurred immediately before such Change of Control for purposes of this Agreement and the Plan.

16. Termination Pay

(a)Effective upon the termination of Executive's employment, Company will be obligated to pay Executive (or, in the event of Executive's death, the Executive's designated beneficiary as defined below) only such compensation as is provided in this Section 16, except to the extent otherwise provided for in any Company stock incentive, stock option or cash award plan (including, among others, the Plan), approved by the Board. For purposes of this Section 16, Executive's designated beneficiary will be such individual beneficiary or trust, located at such address, as Executive may designate by notice to Company from time to time or, if Executive fails to give notice to Company of such a beneficiary, Executive's estate. Notwithstanding the preceding sentence, Company will have no duty, in any circumstances, to attempt to open an estate on behalf of Executive, to determine whether any beneficiary designated by Executive is alive or to ascertain the address of any such beneficiary, to determine the existence of any trust, to determine whether any person purporting to act as Executive's personal representative (or the trustee of a trust established by Executive) is duly authorized to act in that capacity, or to locate or attempt to locate any beneficiary, personal representative, or trustee

(b)Termination by Executive for Good Reason or by Company without Cause. If prior to expiration of the Term, Executive terminates his or her employment for Good Reason, or if the Company terminates Executive's employment other than for Cause or Executive's death or Disability (collectively, a “Clause (b) Termination”), Executive will be entitled to receive, subject to the conditions of this Agreement, the following:

(i)(A) all Annual Base Salary and Bonus duly payable under the applicable plan for performance periods ending prior to the Date of Termination, but unpaid as of the Date of Termination, plus (B) in consideration for Executive's obligations set forth in Sections 18, 19 and 20 hereof, (x) should the Clause b Termination occur on or before October 13, 2011 unless pursuant to a Change of Control, an amount equal to one (1) times the Executive's then−current rate of Annual Base Salary and Target Bonus or (y) should the Clause b Termination occur after October 13, 2011 or earlier if in connection with a Change of Control, an amount equal to two (2) times the Executive's then−current rate of Annual Base Salary and Target Bonus, which total sum shall be payable immediately following the Date of Termination in fifty−two (52) equal bi−weekly installments in accordance with the Company's normal payroll practices commencing with the next payroll date immediately following the 30 day anniversary of the Date of Termination; provided that, if a Change of Control occurs (or is deemed pursuant to Section 15(d) hereof to have occurred after such termination) during such twenty−four (24) month period (and such Change of Control qualifies either as a “change in the ownership or effective control” of the Company or a “change in the ownership of a substantial portion of the assets” of the Company as such terms are defined under Section 409A of the Code), any amounts remaining payable to Executive hereunder shall be paid in a single lump sum immediately upon such Change of Control;

(ii)all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the Date of Termination which are payable under and in accordance with this Agreement, which amount will be paid within thirty (30) days after the submission by Executive of properly completed reimbursement requests on the Company's standard forms, provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar year in which such expense is incurred;

(iii)a lump sum payment (net after deduction of taxes and other required withholdings) equal to twenty−four (24) times the monthly cost, at the time Executive's employment terminated, for Executive to receive under COBRA the paid coverage for health, dental and vision benefits then being provided for Executive at the Company's cost at the time Executive's employment terminated. This amount will be paid on the next payroll date immediately following the 30 day anniversary of the Date of Termination and will not take into account future increases in costs during the applicable time period;

(iv)vesting of equity awards as provided in the applicable award agreement and plan; and

(v)pay the cost of up to twelve (12) months, as required, of executive−level outplacement services (which provides as part of the outplacement services the use of an office and secretarial support as near as reasonably practicable to Executive's residence), provided that, in no event will an expense be reimbursed later than the last day of the calendar year following the calendar year in which such expense is incurred;.

(c)The Executive shall not be required to mitigate the amount of any payments provided in Section 16, by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 16 be reduced by any compensation earned by Executive as a result of employment by another company or business, or by profits earned by Employee from any other source at any time before or after the date of Termination, so long as Executive is not in breach of the Agreement.

(d)Termination by Executive without Good Reason or by Company for Cause. If prior to the expiration of the Term or thereafter, Executive Voluntarily terminates Executive's employment prior to expiration of the Term without Good Reason or if Company terminates this Agreement for Cause, Executive will be entitled to receive Executive's then−existing Annual Base Salary only through the date such termination is effective in accordance with regular payroll practices and will be reimbursed for all reasonable expenses Executive has incurred in the pursuit of Executive's duties under this Agreement through the date of termination which are payable under and in accordance with this Agreement; any unvested options and shares of restricted stock shall terminate as of the date of termination unless otherwise provided for in any applicable plan or award agreement, and Executive shall be entitled to no other compensation, bonus, payments or benefits except as expressly provided in this paragraph.

(e)Termination upon Disability or Death. If Executive's employment shall terminate by reason of Executive's Disability (pursuant to Section 15(a)(ii)) or death (pursuant to Section 15(a)(i)), the Company shall pay to Executive, in a lump sum cash payment following the Date of Termination, all unpaid Annual Base Salary through the Date of Termination in accordance with regular payroll practices and the Bonus previously earned for a performance period ending prior to the Date of Termination, but unpaid as of the Date of Termination, and the pro rata portion of the Bonus for such year (when and as such Bonuses are paid to other senior executives of the Company) for the Performance Period in which the termination occurred. In the case of Disability, if there is a period of time during which Executive is not being paid Annual Base Salary and not receiving long−term disability insurance payments, the Company shall make interim payments equal to such unpaid disability insurance payments to Executive until commencement of disability insurance payments; provided that, to the extent required to avoid the tax consequences of Section 409A of the Code, as

determined by independent tax counsel, the first payment shall cover all payments scheduled to be made to Executive during the first six (6) months after the date Executive's employment terminates, and the first such payment shall be delayed until the day that is six (6) months after the date Executive's employment terminates.

(f)Benefits. Except as otherwise required by law, Executive's accrual of, and participation in plans providing for, the Benefits will cease at the effective Date of the Termination of employment.

(g)Conditions To Payments. To be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 16(b)(i) and 16(e), Executive must comply with the provisions of Sections 18, 19 and 20. In addition, to be eligible to receive (and continue to receive) and retain the payments and benefits described in Sections 16(b) and 16(e) Executive (or Executive's executor and personal representatives in case of death) must execute and deliver to Company, and comply with, an agreement, in form and substance reasonably satisfactory to Company, effectively releasing and giving up all claims Executive may have against Company or any of its subsidiaries or affiliates (and each of their respective controlling shareholders, employees, directors, officers, plans, fiduciaries, insurers and agents) arising out of or based upon any facts or conduct occurring prior to that date. The agreement will be prepared by Company, will be based upon the standard form (if any) then being utilized by Company for executive separations when severance is being paid, and will be provided to Executive at the time Executive's employment is terminated or as soon as administratively practicable thereafter (not to exceed five (5) business days). The agreement will require Executive to consult with Company representatives, and voluntarily appear as a witness for trial or deposition (and to prepare for any such testimony) in connection with, any claim which may be asserted by or against Company, any investigation or administrative proceeding, any matter relating to a franchise, or any business matter concerning Company or any of its transactions or operations. It is understood that the final document may not contain provisions specific to the release of a federal age discrimination claim if Executive is not at least forty (40) years of age, and may be changed as Company's chief legal counsel considers necessary and appropriate to enforce the same, including provisions to comply with changes in applicable laws and recent court decisions. Payments under and/or benefits provided by Section 16 will not continue to be made unless and until Executive executes and delivers that agreement to Company within twenty−one (21) days after delivery of the document (or such lesser time as Company's chief legal counsel may specify in the document) and all conditions to the effectiveness of that agreement and the releases contemplated thereby have been satisfied (including without limitation the expiration of any applicable revocation period without revoking acceptance).

(h)Termination Following Expiration. Executive shall not be entitled to any severance payment under this Agreement or otherwise upon a termination following the expiration of the term of this Agreement except as may result from a termination by the Company without Cause as provided in Section 15(d).

(i)Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto which shall have accrued hereunder prior to such expiration, subject to the terms of any agreement containing a general release provided by Executive.

(j)Definitions. For purposes of this Section 16, the terms “termination of employment” or “terminate” when used in the context of termination of employment shall mean separation from service with the Company and its affiliates as the terms “separation from service” and “affiliate” are defined in Section 409A of the Code or the regulations thereunder.

(k)Notwithstanding anything to the contrary in this Section 16, any of the benefits described in this Section 16 that are due to be paid or awarded during the first six−(6) months after the Date of Termination shall, to the extent required to avoid the additional taxes and penalties imposed under Section 409A of the Code (as determined by independent tax counsel), be suspended for six months and paid on the day after the sixth month anniversary of the Date of Termination.

17. Excess Parachute Payment.

(a)Anything in this Agreement or the Plan to the contrary notwithstanding, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of Executive by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments") is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) to the Safe Harbor Amount (as defined below). For purposes of this Agreement, the term "Safe Harbor Amount" means the largest portion of the Total Payments that would result in no portion of the Total Payments being subject to the Excise Tax. Unless Executive shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non−cash payments in such order as Executive shall determine; provided that Executive may not so elect to the extent that, in the determination of the Determining Party (as defined herein), such election would cause Executive to be subject to the Excise Tax. Any notice given by Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(b)The determination of whether the Total Payments shall be reduced as provided in Section 17(a) and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by Company from among the ten largest accounting firms in the United States or by qualified independent tax counsel (the "Determining Party"); provided that, Executive shall be given advance notice of the Determining Party selected by the Company, and shall have the opportunity to reject the selection, within two business days of being notified of the selection, on the basis of that Determining Party's having a conflict of interest or other reasonable basis, in which case the Company shall select an alternative auditing firm among the ten largest accounting firms in the United States or alternative independent qualified tax counsel, which shall become the Determining Party. Such Determining Party shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Executive within ten (10) days of the termination of Executive's employment or at such other time mutually agreed by the Company and Executive. If the Determining Party determines that no Excise Tax is payable by Executive with respect to the Total Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and Executive. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination as to the extent of the reduction, if any, pursuant to Section 17(a), or to have such Determination reviewed by another accounting firm selected by the Company, at the Company's expense. If the two accounting firms do not agree, a third accounting firm shall be jointly chosen by the Executive Party and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and Executive.

(c)If, notwithstanding any reduction described in this Section 17, the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of any of the Total Payments or otherwise, then Executive shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination, a portion of the Total Payments equal to the "Repayment Amount." The Repayment Amount with respect to the payment of benefits shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive's net after−tax proceeds with respect to the Total Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Payment) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in Executive's net after−tax proceeds with respect to the Total Payments being maximized. If the Excise Tax is not eliminated pursuant to this paragraph, the Executive shall pay the Excise Tax.

(d)Notwithstanding any other provision of this Section 17, if (i) there is a reduction in the Total Payments as described in this Section 17, (ii) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive's net after−tax proceeds (calculated as if Executive's benefits had not previously been reduced), and (iii) Executive pays the Excise Tax, then the Company shall pay to Executive those payments or benefits which were reduced pursuant to this Section 17 as soon as administratively possible after Executive pays the Excise Tax (but not later than March 15 following the calendar year of the IRS determination) so that Executive's net after−tax proceeds with respect to the Total Payments are maximized.

18. Competition/Confidentiality.

(a)Acknowledgments by Executive. Executive acknowledges that (a) during the Term and as a part of Executive's employment, Executive has been and will be afforded access to Confidential Information (as defined below); (b) public disclosure of such Confidential Information could have an adverse effect on the Company and its business; (c) because Executive possesses substantial technical expertise and skill with respect to the Company's business, Company desires to obtain exclusive ownership of each invention by Executive while Executive is employed by the Company, and Company will be at a substantial competitive disadvantage if it fails to acquire exclusive ownership of each such invention by Executive; and (d) the provisions of this Section 18 are reasonable and necessary to prevent the improper use or disclosure of Confidential Information and to provide Company with exclusive ownership of all inventions and works made or created by Executive.

(b)Confidential Information. (i) The Executive acknowledges that during the Term Executive will have access to and may obtain, develop, or learn of Confidential Information (as defined below) under and pursuant to a relationship of trust and confidence. The Executive shall hold such Confidential Information in strictest confidence and never at any time, during or after Executive's employment terminates, directly or indirectly use for Executive's own benefit or otherwise (except in connection with the performance of any duties as an employee hereunder) any Confidential Information, or divulge, reveal, disclose or communicate any Confidential Information to any unauthorized person or entity in any manner whatsoever.

(ii)As used in this Agreement, the term "Confidential Information" shall include, but not be limited to, any of the following information relating to Company learned by the Executive during the Term or as a result of Executive's employment with Company:

(A)information regarding the Company's business proposals, manner of the

Company's operations, and methods of selling or pricing any products or services;

(B)the identity of persons or entities actually conducting or considering conducting business with the Company, and any information in any form relating to such persons or entities and their relationship or dealings with the Company or its affiliates;

(C)any trade secret or confidential information of or concerning any business operation or business relationship;

(D)computer databases, software programs and information relating to the nature of the hardware or software and how said hardware or software is used in combination or alone;

(E)information concerning Company personnel, confidential financial information, customer or customer prospect information, information concerning subscribers, subscriber and customer lists and data, methods and formulas for estimating costs and setting prices, engineering design standards, testing procedures, research results (such as marketing surveys, programming trials or product trials), cost data (such as billing, equipment and programming cost projection models), compensation information and models, business or marketing plans or strategies, deal or business terms, budgets, vendor names, programming operations, product names, information on proposed acquisitions or dispositions, actual performance compared to budgeted performance, long−range plans, internal financial information (including but not limited to financial and operating results for certain offices, divisions, departments, and key market areas that are not disclosed to the public in such form), results of internal analyses, computer programs and programming information, techniques and designs, and trade secrets;

(F)information concerning the Company's employees, officers, directors and shareholders; and

(G)any other trade secret or information of a confidential or proprietary nature.

(iii)Executive shall not make or use any notes or memoranda relating to any Confidential Information except for uses reasonably expected by Executive to be for the benefit of the Company, and will, at Company's request, return each original and every copy of any and all notes, memoranda, correspondence, diagrams or other records, in written or other form, that Executive may at any time have within his possession or control that contain any Confidential Information.

(iv)Notwithstanding the foregoing, Confidential Information shall not include information which has come within the public domain through no fault of or action by Executive or which has become rightfully available to Executive on a non−confidential basis from any third party, the disclosure of which to Executive does not violate any contractual or legal obligation such third party has to the Company or its affiliates with respect to such Confidential Information. None of the foregoing obligations and restrictions applies to any part of the Confidential Information that Executive demonstrates was or became generally available to the public other than as a result of a disclosure by Executive or by any other person bound by a confidentiality obligation to the Company in respect of such Confidential Information.

(v)Executive will not remove from the Company's premises (except to the extent such removal is for purposes of the performance of Executive's duties at home or while traveling, or except as otherwise specifically authorized by Company) any Company document, record, notebook, plan,

model, component, device, or computer software or code, whether embodied in a disk or in any other form (collectively, the "Proprietary Items"). Executive recognizes that, as between Company and Executive, all of the Proprietary Items, whether or not developed by Executive, are the exclusive property of the Company. Upon termination of Executive's employment by either party, or upon the request of Company during the Term, Executive will return to Company all of the Proprietary Items in Executive's possession or subject to Executive's control, including all equipment (e.g., laptop computers, cell phone, portable e−mail devices, etc.), documents, files and data, and Executive shall not retain any copies, abstracts, sketches, or other physical embodiment of any such Proprietary Items.

19. Proprietary Developments.

(a)Any and all inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae (collectively, hereinafter referred to as "Developments"), made, conceived, developed, or created by Executive (alone or in conjunction with others, during regular work hours or otherwise) during Executive's employment which may be directly or indirectly useful in, or relate to, the business conducted or to be conducted by the Company will be promptly disclosed by Executive to Company and shall be Company's exclusive property. The term "Developments" shall not be deemed to include inventions, products, discoveries, improvements, processes, methods, computer software programs, models, techniques, or formulae which were in the possession of Executive prior to the Term. Executive hereby transfers and assigns to Company all proprietary rights which Executive may have or acquire in any Developments and Executive waives any other special right which the Executive may have or accrue therein. Executive will execute any documents and to take any actions that may be required, in the reasonable determination of Company's counsel, to effect and confirm such assignment, transfer and waiver, to direct the issuance of patents, trademarks, or copyrights to Company with respect to such Developments as are to be Company's exclusive property or to vest in Company title to such Developments; provided, however, that the expense of securing any patent, trademark or copyright shall be borne by Company. The parties agree that Developments shall constitute Confidential Information.

(b)"Work Made for Hire." Any work performed by Executive during Executive's employment with Company shall be considered a "Work Made for Hire" as defined in the U.S. Copyright laws, and shall be owned by and for the express benefit of Company. In the event it should be established that such work does not qualify as a Work Made for Hire, Executive agrees to and does hereby assign to Company all of Executive's right, title, and interest in such work product including, but not limited to, all copyrights and other proprietary rights.

20. Non−Competition and Non−Interference.

(a)Acknowledgments by Executive. Executive acknowledges and agrees that: (a) the services to be performed by Executive under this Agreement are of a special, unique, unusual, extraordinary, and intellectual character; (b) the Company competes with other businesses that are or could be located in any part of the United States; and (c) the provisions of this Section 20 are reasonable and necessary to protect the Company's business and lawful protectable interests, and do not impair Executive's ability to earn a living.

(b)Covenants of Executive. For purposes of this Section 20, the term "Restricted Period" shall mean the period commencing as of the date of this Agreement and terminating on the second anniversary (or, in the case of Section 20(b)(iii), the first anniversary and in the case of a Clause b

Termination resulting in payments of one times Base Salary and Target Bonus under Section 16(b)(i)(B)(x) of this Agreement, the first anniversary), of the date Executive's employment terminated provided that the "Restricted Period" also shall encompass any period of time from whichever anniversary date is applicable until and ending on the last date Executive is to be paid any payment under Section 16 hereof. In consideration of the acknowledgments by Executive, and in consideration of the compensation and benefits to be paid or provided to Executive by Company, Executive covenants and agrees that during the Restricted Period, the Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other person or entity other than the Company:

(i)in the United States or any other country or territory where the Company then conducts its business: engage in, operate, finance, control or be employed by a "Competitive Business" (defined below); serve as an officer or director of a Competitive Business (regardless of where Executive then lives or conducts such activities); perform any work as an employee, consultant (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company), contractor, or in any other capacity with, a Competitive Business; directly or indirectly invest or own any interest in a Competitive Business (regardless of where Executive then lives or conducts such activities); or directly or indirectly provide any services or advice to a any business, person or entity who or which is engaged in a Competitive Business (other than as a member of a professional consultancy, law firm, accounting firm or similar professional enterprise that has been retained by the Competitive Business and where Executive has no direct role in such professional consultancy and maintains the confidentiality of all information acquired by Executive during his or her employment with the Company). A "Competitive Business" is any business, person or entity who or which, anywhere within that part of the United States, or that part of any other country or territory, where the Company conducts business; owns or operates a cable television system; provides direct television or any satellite−based, telephone system−based, internet−based or wireless system for delivering television, music or other entertainment programming (other than as an ancillary service, such as cellular telephone providers); provides telephony services using any wired connection or fixed (as opposed to mobile) wireless application; provides data or internet access services; or offers, provides, markets or sells any service or product of a type that is offered or marketed by or directly competitive with a service or product offered or marketed by the Company at the time Executive's employment terminates; or who or which in any case is preparing or planning to do so. The provisions of this Section 20 shall not be construed or applied (i) so as to prohibit Executive from owning investments as approved by the Chief Executive Officer of the Company, in his sole discretion or not more than five percent (5%) of any class of securities that is publicly traded on any national or regional securities exchange, as long as Executive's investment is passive and Executive does not lend or provide any services or advice to such business or otherwise violate the terms of this Agreement in connection with such investment; or (ii) so as to prohibit Executive from working as an employee in the cable television business for a company/business that owns or operates cable television franchises (by way of current example only, Time Warner, Cablevision, Cox or Comcast), provided that the company/business is not providing cable services in any political subdivision/ geographic area where the Company has a franchise or provides cable services (other than nominal overlaps of service areas) and the company/business is otherwise not engaged in a Competitive Business, and provided Executive does not otherwise violate the terms of this Agreement in connection with that work;

(ii)contact, solicit or provide any service or product of a type offered by, or competitive with, any product or service provided by the Company to any person or entity that was

a customer franchisee, or prospective customer of the Company at any time during Executive's employment (a prospective customer being one to whom the Company had made a business proposal within twelve (12) months prior to the time Executive's employment terminated); or directly solicit or encourage any customer, franchisee or subscriber of the Company to purchase any service or product of a type offered by or competitive with any product or service provided by the Company, or to reduce the amount or level of business purchased by such customer, franchisee or subscriber from the Company; or take away or procure for the benefit of any competitor of the Company, any business of a type provided by or competitive with a product or service offered by the Company; or

(iii)solicit or recruit for employment, any person or persons who are employed by Company or any of its subsidiaries or affiliates, or who were so employed at any time within a period of six (6) months immediately prior to the date Executive's employment terminated, or otherwise interfere with the relationship between any such person and the Company; nor will the Executive assist anyone else in recruiting any such employee to work for another company or business or discuss with any such person his or her leaving the employ of the Company or engaging in a business activity in competition with the Company. This provision shall not apply to secretarial, clerical, custodial or maintenance employees.

If Executive violates any covenant contained in this Section 20, then the term of the covenants in this Section shall be extended by the period of time Executive was in violation of the same.

(c)Provisions Pertaining to the Covenants. Executive recognizes that the existing business of the Company extends to various locations and areas throughout the United States and may extend hereafter to other countries and territories and agrees that the scope of Section 20 shall extend to any part of the United States, and any other country or territory, where the Company operates or conducts business, or has concrete plans to do so at the time Executive's employment terminates. It is agreed that the Executive's services hereunder are special, unique, unusual and extraordinary giving them peculiar value, the loss of which cannot be reasonably or adequately compensated for by damages, and in the event of the Executive's breach of this Section, Company shall be entitled to equitable relief by way of injunction or otherwise in addition to the cessation of payments and benefits hereunder. If any provision of Sections 18, 19 or 20 of this Agreement is deemed to be unenforceable by a court (whether because of the subject matter of the provision, the duration of a restriction, the geographic or other scope of a restriction or otherwise), that provision shall not be rendered void but the parties instead agree that the court shall amend and alter such provision to such lesser degree, time, scope, extent and/or territory as will grant Company the maximum restriction on Executive's activities permitted by applicable law in such circumstances. Company's failure to exercise its rights to enforce the provisions of this Agreement shall not be affected by the existence or non existence of any other similar agreement for anyone else employed by Company or by Company's failure to exercise any of its rights under any such agreement.

(d)Notices. In order to preserve Company's rights under this Agreement, Company is authorized to advise any potential or future employer, any third party with whom Executive may become employed or enter into any business or contractual relationship with, and any third party whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and Company shall not be liable for doing so.

(e)Injunctive Relief and Additional Remedy. Executive acknowledges that the injury that would be suffered by Company as a result of a breach of the provisions of this Agreement (including any provision of Sections 18, 19 and 20) would be irreparable and that an award of monetary damages

to Company for such a breach would be an inadequate remedy. Consequently, Company will have the right, in addition to any other rights it may have, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement, and Company will not be obligated to post bond or other security in seeking such relief. Without limiting Company's rights under this Section or any other remedies of Company, if Executive breaches any of the provisions of Sections 18, 19 or 20, Company will have the right to cease making any payments otherwise due to Executive under this Agreement.

(f)Covenants of Sections 18, 19 and 20 are Essential and Independent Covenants. The covenants by Executive in Sections 18, 19 and 20 are essential elements of this Agreement, and without Executive's agreement to comply with such covenants, Company would not have entered into this Agreement or employed Executive. Company and Executive have independently consulted their respective counsel and have been advised in all respects concerning the reasonableness and propriety of such covenants, with specific regard to the nature of the business conducted by Company. Executive's covenants in Sections 18, 19 and 20 are independent covenants and the existence of any claim by Executive against Company, under this Agreement or otherwise, will not excuse Executive's breach of any covenant in Section 18, 19 or 20. If Executive's employment hereunder is terminated, this Agreement will continue in full force and effect as is necessary or appropriate to enforce the covenants and agreements of Executive in Sections 18, 19 and 20. The Company's right to enforce the covenants in Sections 18, 19 and 20 shall not be adversely affected or limited by the Company's failure to have an agreement with another employee with provisions at least as restrictive as those contained in Sections 18, 19 or 20, or by the Company's failure or inability to enforce (or agreement not to enforce) in full the provisions of any other or similar agreement containing one or more restrictions of the type specified in Sections 18, 19 and 20 of this Agreement.

21. Executive's Representations And Further Agreements.

(a) Executive represents, warrants and covenants to Company that:

(i)Neither the execution and delivery of this Agreement by Executive nor the performance of any of Executive's duties hereunder in accordance with the Agreement will violate, conflict with or result in the breach of any order, judgment, employment contract, agreement not to compete or other agreement or arrangement to which Executive is a party or is subject;

(ii)On or prior to the date hereof, Executive has furnished to Company true and complete copies of all judgments, orders, written employment contracts, agreements not to compete, and other agreements or arrangements restricting Executive's employment or business pursuits, that have current application to Executive;

(iii)Executive is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, and that prior to assenting to the terms of this Agreement, or giving the representations and warranties herein, Executive has been given a reasonable time to review it and has consulted with counsel of Executive's choice; and

(iv)Executive has not provided, nor been requested by Company to provide, to Company, any confidential or non−public document or information of a former employer that constitutes or contains any protected trade secret, and will not use any protected trade secrets in connection with the Executive's employment.

(b)During and subsequent to expiration of the Term, the Executive will cooperate with Company, and furnish any and all complete and truthful information, testimony or affidavits in connection with any matter that arose during the Executive's employment, that in any way relates to the business or operations of the Company or any of its parent or subsidiary corporations or affiliates, or of which the Executive may have any knowledge or involvement; and will consult with and provide information to Company and its representatives concerning such matters. Executive shall fully cooperate with Company in the protection and enforcement of any intellectual property rights that relate to services performed by Executive for Company, whether under the terms of this Agreement or prior to the execution of this Agreement. This shall include without limitation executing, acknowledging, and delivering to Company all documents or papers that may be necessary to enable Company to publish or protect such intellectual property rights. Subsequent to the Term, the parties will make their best efforts to have such cooperation performed at reasonable times and places and in a manner as not to unreasonably interfere with any other employment in which Executive may then be engaged. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony, sworn statement or declaration that is not complete and truthful. If Company requires the Executive to travel outside the metropolitan area in the United States where the Executive then resides to provide any testimony or otherwise provide any such assistance, then Company will reimburse the Executive for any reasonable, ordinary and necessary travel and lodging expenses incurred by Executive to do so provided the Executive submits all documentation required under Company's standard travel expense reimbursement policies and as otherwise may be required to satisfy any requirements under applicable tax laws for Company to deduct those expenses. Nothing in this Agreement shall be construed or interpreted as requiring the Executive to provide any testimony or affidavit that is not complete and truthful.

22.Mutual Non−Disparagement. Neither the Company nor Executive shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation in the business or legal community or in the telecommunications industry.

23.Foreign Corrupt Practices Act. Executive agrees to comply in all material respects with the applicable provisions of the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, which provides generally that: under no circumstances will foreign officials, representatives, political parties or holders of public offices be offered, promised or paid any money, remuneration, things of value, or provided any other benefit, direct or indirect, in connection with obtaining or maintaining contracts or orders hereunder. When any representative, employee, agent, or other individual or organization associated with Executive is required to perform any obligation related to or in connection with this Agreement, the substance of this section shall be imposed upon such person and included in any agreement between Executive and any such person. Failure by Executive to comply with the provisions of the FCPA shall constitute a material breach of this Agreement and shall entitle the Company to terminate Executive's employment for Cause.

24.Purchases and Sales of the Company's Securities. Executive has read and agrees to comply in all respects with the Company's Securities Trading Policy regarding the purchase and sale of the Company's securities by employees, as such Policy may be amended from time to time. Specifically, and without limitation, Executive agrees that Executive shall not purchase or sell stock in the Company at any time (a) that Executive possesses material non−public information about the Company or any of its businesses; and (b) during any “Trading Blackout Period” as may be determined by the Company as set forth in the Policy from time to time.

25. Indemnification.

(a)If Executive is made a party or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a “proceeding”), by reason of the fact that he or she is or was a director or an officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, a “Covered Person”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection therewith; provided, however, that, except as provided in Section 25(e) hereof with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board.

(b)The Company shall pay the expenses (including attorneys' fees) incurred by Executive in defending any such proceeding in advance of its final disposition (hereinafter, an “advancement of expenses”), provided, however, that, if the Delaware General Corporation Law so requires, an advancement of expenses incurred by Executive in his or her capacity as such shall be made only upon delivery to the Company of an undertaking (hereinafter, an “Undertaking”), by or on behalf of such Executive, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a “Final Adjudication”) that Executive was not entitled to be indemnified for such expenses under this Section 25 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Subsections 25(a) and (b) hereof shall be contract rights and such rights shall continue even after Executive ceases to be employed by the Company and shall inure to the benefit of Executive's heirs, executors and administrators.

(c)If a claim under Section 25(a) or (b) hereof is not paid in full by the Company within sixty (60) days after a written claim therefore has been received by the Company, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, Executive may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If Executive is successful in whole or in part in any such suit, or in a suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, Executive shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by Executive to enforce a right to indemnification hereunder (but not in a suit brought by Executive to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Company to recover an advancement of expenses pursuant to the terms of an Undertaking, the Company shall be entitled to recover such expenses upon a final adjudication that, Executive has not met the applicable standard for indemnification set forth in the Delaware General Corporation Law. To the fullest extent permitted by law, neither the failure of the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of Executive is proper in the circumstances because the Executive has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual

determination by the Company (including its disinterested directors, committee thereof, independent legal counsel or its stockholders) that Executive has not met such applicable standard of conduct, shall create a presumption that Executive has not met the applicable standard of conduct or, in the case of such a suit brought by Executive, be a defense to such suit. In any suit brought by Executive to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that Executive is not entitled to be indemnified, or to such advancement of expenses, under this Section 25 or otherwise shall, to the extent permitted by law, be on the Company.

(d)The rights to indemnification and to the advancement of expenses conferred in this Section 25 shall not be exclusive of any other right of indemnification which Executive or any other person may have or hereafter acquire by any statute, the Company's Certificate of Incorporation or Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, including all rights of indemnification provided by the Indemnification Agreement entered into by Executive and the Company dated as of the date of this Employment Agreement.

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

26.Withholding. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Executive or his estate or beneficiary shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to applicable law or regulation.

27.Notices. Any written notice required by this Agreement will be deemed provided and delivered to the intended recipient when (a) delivered in person by hand; or (b) three days after being sent via U.S. certified mail, return receipt requested; or (c) the day after being sent via by overnight courier, in each case when such notice is properly addressed to the following address and with all postage and similar fees having been paid in advance:

If to the Company: Charter Communications, Inc.
Attn: Human Resources
12405 Powerscourt Drive
St. Louis, MO 63131

If to Executive: Donald Detampel
369 Steele Street
Denver, Colorado 80206

Either party may change the address to which notices, requests, demands and other communications to such party shall be delivered personally or mailed by giving written notice to the other party in the manner described above.

28.Binding Effect. This Agreement shall be for the benefit of and binding upon the parties hereto and their respective heirs, personal representatives, legal representatives, successors and, where applicable, assigns.

29.Entire Agreement. This Agreement constitutes the entire agreement between the listed parties with respect to the subject matter described in this Agreement and supersedes all prior agreements, understandings and arrangements, both oral and written, between the parties with respect to such subject matter, except to the extent said agreements, understandings and arrangements are referenced or referred to in this Agreement. This Agreement may not be modified, amended, altered or rescinded in any manner, except by written instrument signed by both of the parties hereto; provided, however, that the waiver by either party of a breach or compliance with any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or compliance. Except to the extent the terms hereof are explicitly and directly inconsistent with the terms of the Plan, nothing herein shall be deemed to override or replace the terms of the Plan, including but not limited to sections 6.4, 9.4 and 10.4 thereof.

30.Severability. In case any one or more of the provisions of this Agreement shall be held by any court of competent jurisdiction or any arbitrator selected in accordance with the terms hereof to be illegal, invalid or unenforceable in any respect, such provision shall have no force and effect, but such holding shall not affect the legality, validity or enforceability of any other provision of this Agreement provided that the provisions held illegal, invalid or unenforceable does not reflect or manifest a fundamental benefit bargained for by a party hereto.

31.Assignment. Subject to the Executive's right to terminate in the event of a Change of Control hereunder, this Agreement can be assigned by the Company only to a company that controls, is controlled by, or is under common control with the Company and which assumes all of the Company's obligations hereunder. The duties and covenants of Executive under this Agreement, being personal, may not be assigned or delegated except that Executive may assign payments due hereunder to a trust established for the benefit of Executive's family or to Executive's estate or to any partnership or trust entered into by Executive and/or Executive's immediate family members (meaning, Executive's spouse and lineal descendants). This agreement shall be binding in all respects on permissible assignees.

32.Notification. In order to preserve the Company's rights under this Agreement, the Company is authorized to advise any third party with whom Executive may become employed or enter into any business or contractual relationship with, or whom Executive may contact for any such purpose, of the existence of this Agreement and its terms, and the Company shall not be liable for doing so.

33.Choice of Law/Jurisdiction. This Agreement is deemed to be accepted and entered into in St. Louis County, Missouri. Executive and the Company intend and hereby acknowledge that jurisdiction over disputes with regard to this Agreement, and over all aspects of the relationship between the parties hereto, shall be governed by the laws of the State of Missouri without giving effect to its rules governing conflicts of laws. Executive agrees that in any suit to enforce this Agreement, or as to any dispute that arises between the Company and the Executive regarding or relating to this Agreement and/or any aspect of Executive's employment relationship with Company, venue and jurisdiction are proper in the County of St. Louis, and (if federal jurisdiction exists) the United States District Court for the Eastern District of Missouri in St. Louis, and Executive waives all objections to jurisdiction and venue in any such forum and any defense that such forum is not the most convenient forum.

34.Section Headings. The section headings contained in this Agreement are for reference

purposes only and shall not affect in any manner the meaning or interpretation of this Agreement.

35.Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

36.Section 409A Compliance. The Company and Executive intend that the provisions of this Agreement comply with the requirements of Code Section 409A and the regulations and guidance issued thereunder and be interpreted in accordance therewith. Executive will not have any discretion to designate the taxable year of payment of any amounts subject to Section 409A under any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

CHARTER COMMUNICATIONS, INC.

By: /s/ Michael J. Lovett
Michael J. Lovett
President and Chief Executive Officer

EXECUTIVE

/s/ Donald Detampel
Name: Donald Detampel
Address: 369 Steele Street
Denver, Colorado 80206

EXHIBIT A

Restricted Shares Grant Agreement

CHARTER COMMUNICATIONS, INC.
RESTRICTED STOCK GRANT NOTICE

Charter Communications, Inc. (the "Company"), pursuant to its 2009 Stock Incentive Plan (as amended, the "Plan"), hereby grants to Grantee the number of Shares of the Company's Class A common stock set forth below (the "Shares"). The Shares are subject to all of the terms and conditions as set forth in this Grant Notice, the Restricted Stock Agreement (the "Agreement") which is attached hereto, and the Plan. The Agreement and the Plan are deemed to be incorporated herein in their entirety.

Grantee:	Donald Detampel
Date of Grant:	October 13, 2010
Number of Shares:	54,000

Vesting Schedule: Subject to the restrictions and limitations of the Agreement and the Plan, one−third of the Shares shall vest on each of the first three anniversaries of the Date of Grant.

Additional Terms/Acknowledgements: The undersigned Grantee acknowledges receipt of, and has read and understands and agrees to, this Grant Notice, the Agreement and the Plan. Grantee further acknowledges that as of the Date of Grant, this Grant Notice, the Agreement and the Plan set forth the entire understanding between Grantee and the Company regarding the grant by the Company of the Shares referred to in this Grant Notice.

CHARTER COMMUNICATIONS, INC. GRANTEE:

_____ _____

Abby Pfeiffer, Senior Vice President, Human Resources

Donald Detampel

Dated: _____

CHARTER COMMUNICATIONS, INC.
RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (together with the attached grant notice (the "Grant Notice"), the "Agreement") is made and entered into as of the date of grant set forth on the Grant Notice by and between Charter Communications, Inc., a Delaware corporation (the "Company"), and the individual (the "Grantee") set forth on the Grant Notice.

A. Pursuant to the Charter Communications, Inc. 2009 Stock Incentive Plan (as amended, the "Plan"), the Board of Directors of the Company or an authorized Committee thereof has determined that it is in the best interest of the Company to grant to Grantee shares of the Class A Common Stock of the Company (the "Shares") set forth on the Grant Notice, and in all respects subject to the terms, definitions and provisions of this agreement and the Plan, which is incorporated herein by reference.

B. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings set forth in the Plan.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Grantee and the Company hereby agree as follows:

1. Grant and Terms of Shares.

   a. Grant of Shares. Pursuant to the Grant Notice, the Company has granted to the Grantee, subject to the terms and conditions set forth in the Plan and this Agreement, the number of Shares set forth on the Grant Notice.

   b. Vesting. As of the date of grant set forth in the Grant Notice, all of the Shares shall be unvested, and shall become vested only in accordance with the schedule set forth in the Grant Notice. Notwithstanding the foregoing, the following provisions shall apply, (to the extent that, under guidance issued by the Internal Revenue Service, the following provisions would not result in the imposition of an excise tax on the Grantee under Section 409A of the Internal Revenue Code) on the termination of the employment of the Grantee with the Company and its Subsidiaries: (a) all unvested Shares shall be cancelled upon Grantee's death or Disability, (b) all unvested Shares shall immediately vest upon Grantee's Retirement, (c) all unvested shares shall continue to vest for one year following the Company's, or any of its Subsidiaries', termination of the Grantee's employment without “Cause,” and (d) if, within 13 months following the occurrence of a Change in Control, the Company, or any of its Subsidiaries, terminates the Grantee's employment without Cause, or the Grantee terminates his or her employment with the Company and its Subsidiaries for Good Reason (as such terms are defined in the Plan), all Shares shall immediately vest (subject to the Plan provisions relating to “Excise Tax Limitations”); provided that, notwithstanding anything to the contrary in this Agreement, in the event that Grantee's employment with the Company terminates at any time on or before the first anniversary of such employment, either as the result of termination by the Company for Cause or by Grantee other than for Good Reason (all determined in accordance with Grantee's employment agreement with the Company), all Shares shall be immediately cancelled. Shares which do not vest in accordance with the foregoing provisions shall be canceled without payment of consideration to the Grantee.

   Notwithstanding the foregoing, if any stock of the Company is publicly traded on an established securities market or otherwise, and if the Grantee is a “Key Employee” of the Company or an Affiliate (as defined in Section 416(i) of the Internal Revenue Code without regard to paragraph (5) thereof) no payment shall be made to the Grantee within six months after the Grantee's separation from service (or, if earlier, the date of his or her death) and the Vesting Period shall be deemed extended to that date; provided, this provision shall not apply if payment of Shares hereunder would not result in excise tax under guidance provided by the IRS.

2. General Restrictions on Transfer of Shares.

   a. No Transfers of Unvested Shares. In no event shall the Grantee transfer any Shares that are not vested (or any right or interest therein) to any person in any manner whatsoever, whether voluntarily or by operation of law or otherwise, except for transfers resulting from Grantee's death.

   b. Invalid Sales. Any purported transfer of Shares made without fully complying with all of the provisions of this Agreement shall be null and void and without force or effect.

3. Compliance with Applicable Laws.

No Shares will be issued pursuant to this Agreement unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended (whether by registration or satisfaction of exemption conditions), all other applicable laws, and all applicable listing requirements of any national securities exchange or other market system on which the Class A Common Stock of the Company is then listed.

4. General.

a. Governing Law. This Agreement shall be governed by and construed under the laws of the state of Delaware applicable to Agreements made and to be performed entirely in Delaware, without regard to the conflicts of law provisions of Delaware or any other jurisdiction.

b. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be deemed duly given upon delivery if delivered by hand, upon receipt if faxed, or three (3) days after posting if sent by regular mail (U.S. Mail), to the address set forth below or to such other address for a party as that party may designate by advance written notice to the other parties.

If to the Company:
Charter Communications, Inc.
12405 Powerscourt Dr.
St. Louis, Mo. 63131
Attention: General Counsel

If to Grantee, at the address set forth on the Company's records.

c. Legend. In addition to any other legend which may be required by agreement or applicable laws, each share certificate representing Shares shall have endorsed upon its face a legend in substantially the form set forth below:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VESTING CONDITIONS AND CERTAIN RESTRICTIONS ON TRANSFER, SALE AND HYPOTHECATION AND CERTAIN REPURCHASE RIGHTS. A COMPLETE STATEMENT OF THE TERMS AND CONDITIONS GOVERNING SUCH RESTRICTIONS IS SET FORTH IN AN AGREEMENT, DATED AS OF [AGREEMENT DATE], A COPY OF WHICH IS ON FILE AT THE CORPORATION'S PRINCIPAL OFFICE.

d. Modifications. This Agreement may be amended, altered or modified only by a writing signed by each of the parties hereto.

e. Application to Other Stock. In the event any capital stock of the Company or any other corporation shall be distributed, with respect to, or in exchange for shares of Class A Common Stock as a stock dividend, stock split, reclassification or recapitalization in connection with any merger or reorganization or otherwise, all restrictions, rights and obligations set forth in this Agreement shall apply with respect to such other capital stock to the same extent as they are, or would have been applicable, to the Shares on or with respect to which such other capital stock was distributed.

f. Additional Documents. Each party agrees to execute any and all further documents and writings, and to perform such other actions, which may be or become reasonably necessary or expedient to be made effective and carry out this Agreement.

g. No Third−Party Benefits. Except as otherwise expressly provided in this Agreement, none of the provisions of this Agreement shall be for the benefit of, or enforceable by, any third−party beneficiary.

h. Successors and Assigns. Except as provided herein to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns.

i. No Assignment. Except as otherwise provided in this Agreement, the Grantee may not assign any of his or her rights under this Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under this Agreement, but no such assignment shall release the Company of any obligations pursuant to this Agreement.

j. Equitable Relief. The Grantee acknowledges that, in the event of a threatened or actual breach of any of the provisions of this Agreement, damages alone will be an inadequate remedy, and such breach will cause the Company great, immediate and irreparable injury and damage. Accordingly, the Grantee agrees that the Company shall be entitled to injunctive and other equitable relief, and that such relief shall be in addition to, and not in lieu of, any remedies they may have at law or under this Agreement.

k. Arbitration.

i. General. Any controversy, dispute, or claim between the parties to this Agreement, including any claim arising out of, in connection with, or in relation to the formation, interpretation, performance or breach of this Agreement shall be settled exclusively by arbitration, before a single arbitrator, in accordance with this section and the then most applicable rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction thereof. Such arbitration shall be administered by the American Arbitration Association. Arbitration shall be the exclusive remedy for determining any such dispute, regardless of its nature. Notwithstanding the foregoing, either party may in an appropriate matter apply to a court for provisional relief, including a temporary restraining order or a preliminary injunction, on the ground that the award to which the applicant may be entitled in arbitration may be rendered ineffectual without provisional relief. Unless mutually agreed by the parties otherwise, any arbitration shall take place in the City of St. Louis, Missouri.

ii. Selection of Arbitrator. In the event the parties are unable to agree upon an arbitrator, the parties shall select a single arbitrator from a list of nine arbitrators drawn by the parties at random from a list of nine persons (who shall be retired judges or corporate or litigation attorneys experienced in stock options and buy−sell agreements) provided by the office of the American Arbitration Association having jurisdiction over St. Louis, Missouri. If the parties are unable to agree upon an arbitrator from the list so drawn, then the parties shall each strike names alternately from the list, with the first to strike being determined by lot. After each party has used four strikes, the remaining name on the list shall be the arbitrator. If such person is unable to serve for any reason, the parties shall repeat this process until an arbitrator is selected.

iii. Applicability of Arbitration; Remedial Authority. This agreement to resolve any disputes by binding arbitration shall extend to claims against any parent, subsidiary or affiliate of each party, and, when acting within such capacity, any officer, director, shareholder, employee or agent of each party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law. In the event of a dispute subject to this paragraph, the parties shall be entitled to reasonable discovery subject to the discretion of the arbitrator. The remedial authority of the arbitrator (which shall include the right to grant injunctive or other equitable relief) shall be the same as, but no greater than, would be the remedial power of a court having jurisdiction over the parties and their dispute. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that he or it would be entitled to summary judgment if the matter had been pursued in court litigation. In the event of a conflict between the applicable rules of the American Arbitration Association and these procedures, the provisions of these procedures shall govern.

iv. Fees and Costs. Any filing or administrative fees shall be borne initially by the party requesting arbitration. The Company shall be responsible for the costs and fees of the arbitration, unless the Grantee wishes to contribute (up to 50%) of the costs and fees of the arbitration. Notwithstanding the foregoing, the prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled, to the extent permitted by law, to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees.

v. Award Final and Binding; Severability. The arbitrator shall render an award and written opinion, and the award shall be final and binding upon the parties. If any of the provisions of this paragraph, or of this Agreement, are determined to be unlawful or otherwise unenforceable, in whole or in part, such determination shall not affect the validity of the remainder of this Agreement, and this Agreement shall be

reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the arbitration provisions of this Agreement are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact, and treated as determinative to the maximum extent permitted by law.

l. Headings. The section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit, extend or interpret the scope of this Agreement or of any particular section.

m. Number and Gender. Throughout this Agreement, as the context may require, (a) the masculine gender includes the feminine and the neuter gender includes the masculine and the feminine; (b) the singular tense and number includes the plural, and the plural tense and number includes the singular; (c) the past tense includes the present, and the present tense includes the past; and (d) references to parties, sections, paragraphs and exhibits mean the parties, sections, paragraphs and exhibits of and to this Agreement.

n. Instructions to Plan Administrator. Grantee authorizes the Company to deliver the instructions attached as Exhibit B hereto to the Plan administrator during the next applicable trading window on behalf of the Grantee authorizing the Plan administrator to sell Shares at the time they vest in order to satisfy the Grantee's withholding tax obligations with respect to the Shares. Grantee may withdraw such instructions at his or her discretion.

o. Complete Agreement. The Grant Notice, this Agreement and the Plan constitute the parties' entire agreement with respect to the subject matter hereof and supersede all agreements (including, without limitation, any employment agreement), representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof.

Exhibit B

Instructions to Plan Administrator

To the Plan Administrator of the Charter Communications, Inc. 2009 Stock Incentive Plan:

In connection with the Charter Communications, Inc. 2009 Stock Incentive Plan, I have been granted restricted shares (the "Shares") of Class A common stock of Charter Communications, Inc. ("Charter"). These shares are subject to vesting conditions as set forth in my Grant Notice and Restricted Stock Agreement. At such time that some or all of the Shares vest, I hereby instruct you to sell such number of Shares as may be necessary to satisfy my tax withholding obligations with respect to such vested Shares. These instructions shall remain in effect unless and until you receive contrary written instructions from me.

EXHIBIT B

Stock Option Grant Agreement

NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of October 13, 2010 (the "Grant Date"), between Charter Communications, Inc., a Delaware corporation (the "Company"), and Donald Detampel, Optionee.

Unless otherwise defined herein, terms defined in the Charter Communications, Inc. 2009 Stock Incentive Plan (the "Plan") shall have the same defined meanings in this Nonqualified Stock Option Agreement (the "Agreement").

The undersigned Optionee has been granted an Option to purchase Shares of Class A common stock of the Company ("Shares"), subject to the terms and conditions of the Plan and this Agreement, as follows:

Vesting Schedule:	25% each year on each of the first four anniversaries of the Grant Date, subject to the restrictions and limitations of the Agreement and the Plan
Exercise Price per Share:	$[average of the high and low prices on Grant Date]
Exercise Expiration Date:	Tenth year anniversary of Grant Date
Total Number of Shares under Option	35,000 shares, as shown on the records of the Company

Charter Communications, Inc.

Abigail T. Pfeiffer, SVP − Human Resources

I agree to this grant of an Option to purchase Shares of the Company, acknowledge that this grant is subject to the terms and conditions of the Plan and this Agreement, and have read and understand the terms and conditions set forth in Sections 1 through 20 of this Agreement.

Optionee, Donald Detampel,
accepted on "Merrill Lynch Benefits Online"

1. Grant of Option.

1.1 The Company hereby grants to the Optionee the right and option (the "Option") to purchase all or any part of the Total Number of Shares under Option set forth above, subject to, and in accordance with, the terms and conditions set forth in this Agreement.

1.2 The Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

1.3 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference), except as to terms and provisions otherwise set forth in this Agreement, and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Purchase Price.

The price at which the Employee shall be entitled to purchase Shares upon the exercise of the Option shall be the Exercise Price per Share set forth above.

3. Duration of Option.

The Option shall be exercisable to the extent and in the manner provided herein for a period of ten years from the Grant Date (the "Exercise Term") and shall expire as of the tenth (10th) anniversary of the Grant Date ("Exercise Expiration Date"); provided, however, that the Option may be earlier or later terminated as provided under the terms of the Plan and this Agreement.

4. Vesting of Option.

Unless otherwise provided in this Agreement or the Plan, the Vesting Schedule shall be as set forth on page 1; provided however, that Options shall continue to vest only while the Optionee is an Eligible Individual. Each right of purchase shall be cumulative and shall continue, unless sooner exercised or terminated as herein provided, during the remaining period of the Exercise Term. Any fractional number of Shares resulting from the application of the foregoing percentages shall be rounded (up or down) to a whole number of Shares. Notwithstanding anything in the Plan or this Agreement to the contrary, upon the termination of employment of the Optionee (i) as a result of his or her death or Disability, then all unvested Options shall be cancelled; (ii) as a result of his Retirement, all Options shall immediately vest and become fully exercisable; (iii) by the Company, or any of its Subsidiaries, without Cause, then unvested Options shall vest pro rata as of the date of such termination (as described in Exhibit A attached hereto), provided that any such pro−rata vesting portion of an Option grant shall become exercisable pursuant to Section 6 hereof, as soon as is reasonably administratively practicable following such termination; or (iv) if, (a) within thirty (30) days prior or 13 months following the occurrence of a Change in Control or (b) at any time prior to a Change in Control at the request of a prospective purchaser whose proposed purchase would constitute a Change in Control upon its completion, the Company, or any of its Subsidiaries, terminates the Grantee's employment without Cause, or the Grantee terminates his or her employment with the Company and its Subsidiaries for Good Reason (as such terms are defined in the Plan), all Shares shall immediately vest (subject to the Plan provisions relating to "Excise Tax Limitations"); provided that, notwithstanding anything to the contrary in this Agreement, in the event that Grantee's employment with the Company terminates at any time on or before the first anniversary of such employment, either as the result of termination by the Company for Cause or by Grantee other than for Good Reason (all determined in accordance with Grantee's employment agreement with the Company), all Options shall be immediately cancelled. Shares which do not vest in accordance with the foregoing provisions shall be canceled without payment of consideration to the Grantee.

5. Manner of Exercise and Payment.

5.1 Subject to the terms and conditions of this Agreement and the Plan, the Option may be exercised by delivery of written notice in person, electronically or by mail to the Plan Administrator (or his or her designee). Such notice shall state that the Optionee is electing to exercise the Option and the number of Shares in respect of which the Option is being exercised and shall be signed by the person or persons exercising the Option. If requested by the Committee, such person or persons shall (i) deliver this Agreement to the Plan Administrator (or his or her designee) who shall endorse thereon a notation of such exercise and (ii) provide satisfactory proof as to the right of such person or persons to exercise the Option.

5.2 The notice of exercise described in Section 5.1 hereof shall be accompanied by (a) the full purchase price for the Shares in respect of which the Option is being exercised, in cash, by check, by transferring Shares to the Company having a Fair Market Value on the day preceding the date of exercise equal to the cash amount for which such Shares are substituted, or in such other manner as may be permitted by the Committee in its discretion, and (b) payment of the Withholding Taxes as provided by Section 12 of this Agreement, and in the manner as may be permitted by the Committee its discretion pursuant to Section 12 of this Agreement.

5.3 Upon receipt of notice of exercise and full payment for the Shares in respect of which the Option is being exercised, the Company shall, subject to the terms of the Plan, take such action as may be necessary to effect the transfer to the Optionee of the number of Shares as to which such exercise was effective.

5.4 The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to any Shares subject to the Option until (i) the Option shall have been exercised pursuant to the terms of this Agreement and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised, (ii) the Company shall have issued and delivered the Shares to the Optionee, and (iii) the Optionee's name shall have been entered as a stockholder of record on the books of the Company, whereupon the Optionee shall have full voting and other ownership rights with respect to such Shares.

6. Exercisability upon Termination of Employment.

If the employment of the Optionee is terminated as a result of death, Disability or Retirement, the Option shall continue to be exercisable, to the extent then exercisable, in whole or in part, at any time during the six months after the date of such termination, but in no event after the Exercise Expiration Date. If the employment of the Optionee is terminated for Cause, the Option shall terminate effective immediately prior to the Optionee's termination of employment, whether or not such Option is then exercisable. If the employment of the Optionee is terminated for any reason other than death, Disability or Retirement or for Cause, then, subject to Section 7 hereof, the Option shall terminate as of the sixth month following the date of the Optionee's termination of employment whether or not exercisable.

7. Effect of Change in Control.

In the event of a Change in Control, the Committee may, in its discretion, do one or more (or none) of the following: (i) shorten the period during which Options are exercisable (provided they remain exercisable for at least 30 days after the date on which notice of such shortening is given to Optionee); (ii) arrange to have the surviving or successor entity assume the Options or grant replacement options with appropriate adjustments in the option prices and in the number and kind of securities issuable upon exercise or adjustments so that the Options or their replacements represent the right to purchase the shares of stock, securities or other property (including cash) as may be issuable or payable as a result of a Change in Control with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to such Change in Control, or (iii) cancel Options upon the payment to the Optionee in cash, with respect to each Option to the extent then exercisable (including any Options as to which the exercise has been accelerated in accordance with this Section), of an amount that is equal to the Fair Market Value of the Shares subject to the option or portion thereof over the aggregate exercise price for such Shares under Option or portion thereof surrendered at the effective time of the Change in Control.

8. Nontransferability.

The Option shall not be transferable other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee.

9. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Optionee any right with respect to continuance of employment by the Company, or any Subsidiary or Affiliate of the Company, nor shall this Agreement or the Plan interfere in any way with the right of the Company to terminate the Optionee's employment at any time.

10. Adjustments.

In the event of a Change in Capitalization, the Committee may, in its discretion, make appropriate adjustments to the number and class of Shares or other stock or securities subject to the Option and the purchase price for such Shares or other stock or securities. The Committee's adjustment shall be made in accordance with the provisions of the Plan and shall be effective and final, binding and conclusive for all purposes of the Plan and this Agreement.

11. Effect of a Merger, Consolidation or Liquidation.

Subject to the terms of the Plan and this Agreement, in the event of (a) the liquidation or dissolution of the Company or (b) a merger or consolidation of the Company (a “Transaction”) that does not constitute a Change in Control, the Options shall continue in effect in accordance with their respective terms, except that the Committee may, in its discretion, do one or more (or none) of the following: (i) shorten the period during which the Options are exercisable (provided they remain exercisable for at least thirty (30) days after the date on which notice of such shortening is given to the Optionee); (ii) accelerate the vesting schedule with respect to the Options, (iii) arrange to have the surviving or successor entity assume the Options or grant replacement Options with appropriate adjustments in the exercise prices, and adjustments in the number and kind of securities issuable upon exercise or adjustments so that the Options or their replacements represent the right to purchase or receive the stock, securities or other property (including cash) as may be issuable or payable as a result of such Transaction with respect to or in exchange for the number of Shares purchasable and receivable upon the exercise of the Options had such exercise occurred in full prior to the Transaction, or (iv) with the prior written consent of the Optionee, cancel the Options upon the payment to the Optionees in cash of an amount that is equal to the Fair Market Value of the Shares subject to the Option or portion thereof over the aggregate exercise price for such Shares under the Option or portion thereof surrendered at the effective time of the Transaction. The treatment of any Option as provided in this Section 11 shall be conclusively presumed to be appropriate for purposes of Section 10 of the Plan.

12. Withholding of Taxes.

At such times as the Optionee recognizes taxable income in connection with the receipt of Shares hereunder (a “Taxable Event”), the Optionee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the “Withholding Taxes”) prior to the issuance, or release from escrow, of such Shares. The Company shall have the right to deduct from any payment to an Optionee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. In satisfaction of the obligation to pay Withholding Taxes to the Company, the Optionee may make a written election (the “Tax Election”), which may be accepted or rejected in the discretion of the Committee, to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes. Notwithstanding the foregoing, the Committee may, in its discretion, provide that an Optionee shall not be entitled to exercise his or her Options if the Optionee has not paid cash to the Company with respect to the applicable Withholding Taxes for such Options.

13. Excise Tax Limitation.

(a) Notwithstanding anything contained in this Agreement to the contrary, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of the Optionee by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments”), is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in the Optionee retaining a larger amount, on an after−tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if the Optionee received the entire amount of such Total Payments. Unless the Optionee shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Total Payments, by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non−cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Optionee pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Total Payments shall be reduced as provided in Section 12.2 (a) of the Plan and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Optionee from among the six largest accounting firms in the United States or at the Optionee's expense by an attorney selected by the Optionee. Such accounting firm or attorney (the “Determining Party”) shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Optionee within ten (10) days of the termination of Optionee's employment. If the Determining Party determines that no Excise Tax is payable by the Optionee with respect to the Total Payments, it shall furnish the Optionee with an opinion reasonably acceptable to the Optionee that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Optionee. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination of the Determining Party as to the extent of the reduction, if any, pursuant to Section 12.2 (a) of the Plan, or to have such Determination reviewed by an accounting firm selected by the Company, at the Company's expense. If the Company's accounting firm and the Determining Party do not agree, a third accounting firm shall be jointly chosen by the Determining Party and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and the Optionee.

14. Employee Bound by the Plan.

The Optionee hereby acknowledges that the Optionee may receive a copy of the Plan upon request to the Plan Administrator and agrees to be bound by all the terms and provisions of the Plan.

15. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated by the Committee in its discretion at any time, and any terms or conditions may be waived by the Committee in its discretion at any time; provided, however, that all such modifications, amendments, suspensions, terminations or waivers that shall adversely effect an Optionee shall only be effective pursuant to a written instrument executed by the parties hereto.

16. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

17. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

18. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representatives. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Optionee's heirs, executors, administrators, successors.

19. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and Company for all purposes.

20. Shareholder Approval.

The effectiveness of this Agreement and of the grant of the Option pursuant hereto is subject to the approval of the Plan by the stockholders of the Company in accordance with the terms of the Plan.

Exhibit A

Pro Rata Vesting

In the event that the Optionee's employment with the Company is terminated and such Optionee is entitled to the pro rata vesting of a portion of his or her Option pursuant to this Agreement, such pro rata portion shall be calculated as a percentage of the total shares vesting on the next vesting date (rounded down to the nearest whole number in the event of a fractional number of shares), with the numerator being the number of days from the beginning of the current vesting period through the termination date and the denominator being (a) the total number of days in a vesting period in the event that the vesting period is less than a full calendar year, or (b) in the event that the vesting period is a full calendar year, 365 (notwithstanding the vesting period is in a leap year). The first vesting period will normally begin on the Grant Date. The subsequent vesting periods will begin on March 2 and end on March 1, as set forth on the Vesting Schedule in the Agreement.

Exhibit 10.9(a)

SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of January 26, 2012, is made by and among Charter Communications Operating, LLC, a Delaware limited liability company ("CCO") and Charter Communications Operating Capital Corp., a Delaware corporation (collectively with CCO, the "Company"), and Wilmington Trust Company, as trustee (the "Trustee").

RECITALS:

WHEREAS, the Company and the Trustee are parties to an Indenture dated as of April 27, 2004, as amended or supplemented from time to time (the "Indenture").

WHEREAS, pursuant to the Indenture, the Company issued and the Trustee authenticated and delivered an aggregate principal amount of $1,100,000,000 of the Company's 8.0% Senior Second Lien Notes due 2012 (CUSIP Nos.161175AA2 and U16109AA5) (the "Notes"), of which $200,799,000 is currently outstanding.

WHEREAS, Section 9.02 of the Indenture provides, among other things, that with the consent of the holders (the "Holders") of at least a majority in principal amount of the Notes then outstanding (the "Requisite Consents"), the Company, the Guarantors and the Trustee may amend the Indenture or the Notes, subject to certain exceptions specified in Section 9.02 of the Indenture.

WHEREAS, on January 11, 2012, the Company distributed an Offer to Purchase and Consent Solicitation Statement (as amended, modified, or supplemented, the "Offer to Purchase") to each Holder.

WHEREAS, the Company has obtained the Requisite Consents to amend the Indenture as set forth in the Offer to Purchase (the "Amendments").

WHEREAS, this Supplemental Indenture has been duly authorized by all necessary corporate action on the part of the Company.

WHEREAS, the Company has delivered, or caused to be delivered, to the Trustee an Officer's Certificate and an Opinion of Counsel meeting the requirements of Sections 12.04 and 12.05 of the Indenture.

NOW THEREFORE, each party agrees for the benefit of the other parties and for the equal and ratable benefit of all Holders, as follows:

AGREEMENT:

Section 1.Definitions. Capitalized terms used in this Supplemental Indenture and not otherwise defined herein have the meanings given to them in the Indenture. Sections 1.01 and 1.02 of the Indenture are hereby amended to delete in their entirety all terms and their respective definitions for which all references are eliminated in the Indenture as a result of the amendments set forth in Section 2.1 below.

Section 2.Amendments.

2.1 Amendment of Certain Sections of the Indenture. The Indenture is hereby amended by deleting the following sections of the Indenture and all references thereto in the Indenture in their entirety:

(a)Section 4.03 Reports.

(b)Section 4.05 Taxes.

(c)Section 4.06 Stay, Extension and Usury Laws.

(d)Section 4.07 Restricted Payments.

(e)Section 4.08 Investments.

(f)Section 4.09 Dividend and Other Payment Restrictions Affecting Subsidiaries

(g)Section 4.10 Incurrence of Indebtedness and Issuance of Preferred Stock.

(h)Section 4.11 Limitation on Asset Sales.

(i)Section 4.12 Sale and Leaseback Transactions.

(j)Section 4.13 Transactions with Affiliates.

(k)Section 4.14 Liens.

(l)Section 4.15 Existence.

(m)Section 4.16 Repurchase at the Option of Holders upon a Change of Control.

(n)Section 4.17 Note Guarantees; Security.

(o)Section 4.18 Payments for Consent.

(p)Section 4.19 Suspension of Covenants.

(q)Section 4.20 Potential Future Registration Rights.

(r)clause (D) of Section 5.01 Merger, Consolidation, or Sale of Assets.

(s) Section 6.01 (3), (4), (5), (6), (7), (8), (9) and (10) Events of Default.

Section 3. Miscellaneous.

3.1 Effect of Supplemental Indenture. Upon the execution and delivery of this Supplemental Indenture by the Company and the Trustee, the Indenture shall be supplemented in accordance herewith, and this Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder holding Notes that have been heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby; provided, however, that Sections 1 and 2.1 hereof shall not become operative unless and until the date (the "Operative Date") set forth in a notice from the Company to the Trustee, stating that all the Notes that were validly tendered and not withdrawn at or prior to the Early Tender/Consent Date (as defined in the Offer to Purchase) were purchased on the Early Payment Date (as defined in the Offer to Purchase). In connection with the execution and delivery of the Supplemental Indenture, the Company shall provide notice to the Holders pursuant to Section 9.02 of the Indenture. Notwithstanding anything to the contrary herein, this Supplemental Indenture shall only supplement the Indenture with respect to the Notes.

3.2 Indenture Remains in Full Force and Effect. Except as supplemented hereby, all provisions of the Indenture shall remain in full force and effect.

3.3 Indenture and Supplemental Indenture Construed Together. This Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture, and the Indenture and this Supplemental Indenture shall henceforth be read and construed together.

3.4 Confirmation and Preservation of the Indenture. The Indenture as supplemented by this Supplemental Indenture is in all respects confirmed and preserved.

3.5 Conflict with Trust Indenture Act. If any provision of this Supplemental Indenture limits, qualifies, or conflicts with any provision of the Trust Indenture Act of 1939, as amended (the "Act"), that is required under such Act to be part of and govern any provision of this Supplemental Indenture, the provision of such Act shall control. If any provision of this Supplemental Indenture modifies or excludes any provision of the Act that may be so modified or excluded, the provisions of the Act shall be deemed to apply to the Indenture as so modified or to be excluded by this Supplemental Indenture, as the case may be.

3.6 Trustee Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Company and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or adequacy of this Supplemental Indenture.

3.7 Certain Duties and Responsibilities of the Trustee. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, whether or not elsewhere herein so provided, including specifically the Trustee's rights to indemnification contained in Section 7.07 of the Indenture.

3.8 Separability Clause. In case any provision of this Supplemental Indenture shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

3.9 Effect of Headings. The Section and Subsection headings herein are for convenience only and shall not affect the construction hereof.

3.10 Benefits of Supplemental Indenture. Nothing in this Supplemental Indenture, the Indenture, or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder, and the Holders, any benefit of any legal or equitable right, remedy, or claim under the Indenture, this Supplemental Indenture, or the Notes.

3.11 Successors and Assigns. All covenants and agreements in this Supplemental Indenture by the Company shall bind its successors and permitted assigns, whether so expressed or not.

3.12 Governing Law. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO THE APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

3.13 Counterparts. This Supplemental Indenture may be executed in counterparts (including by means of facsimile signature pages), each of which shall be an original, but all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Blank − Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date and the year first written above.

CHARTER COMMUNICATIONS OPERATING, LLC,
as an Issuer

By: /s/ Matt L. Derdeyn
Name: Matt L. Derdeyn
Title: Senior Vice President − Finance and Planning

CHARTER COMMUNICATIONS OPERATING CAPITAL CORP., as an Issuer

By: /s/ Matt L. Derdeyn
Name: Matt L. Derdeyn
Title: Senior Vice President − Finance and Planning

WILMINGTON TRUST COMPANY, as Trustee

By: /s/ Geoffrey J. Lewis
Name: Geoffrey J. Lewis
Title: Assistant Vice President

SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of January 26, 2012, is made by and among Charter Communications Operating, LLC, a Delaware limited liability company ("CCO") and Charter Communications Operating Capital Corp., a Delaware corporation (collectively with CCO, the "Company"), and Wilmington Trust Company, as trustee (the "Trustee").

RECITALS:

WHEREAS, the Company and the Trustee are parties to an Indenture dated as of March 19, 2008, as amended or supplemented from time to time (the "Indenture").

WHEREAS, pursuant to the Indenture, the Company issued and the Trustee authenticated and delivered an aggregate principal amount of $545,896,000 of the Company's 10.875% Senior Second Lien Notes due 2014 (CUSIP Nos.161175AG9 and U16109AC1) (the "Notes"), of which $17,905,000 is currently outstanding.

WHEREAS, Section 9.02 of the Indenture provides, among other things, that with the consent of the holders (the "Holders") of at least a majority in principal amount of the Notes then outstanding (the "Requisite Consents"), the Company, the Guarantors and the Trustee may amend the Indenture or the Notes, subject to certain exceptions specified in Section 9.02 of the Indenture.

WHEREAS, on January 11, 2012, the Company distributed an Offer to Purchase and Consent Solicitation Statement (as amended, modified, or supplemented, the "Offer to Purchase") to each Holder.

WHEREAS, the Company has obtained the Requisite Consents to amend the Indenture as set forth in the Offer to Purchase (the "Amendments").

WHEREAS, this Supplemental Indenture has been duly authorized by all necessary corporate action on the part of the Company.

WHEREAS, the Company has delivered, or caused to be delivered, to the Trustee an Officer's Certificate and an Opinion of Counsel meeting the requirements of Sections 12.04 and 12.05 of the Indenture.

NOW THEREFORE, each party agrees for the benefit of the other parties and for the equal and ratable benefit of all Holders, as follows:

AGREEMENT:

Section 1.Definitions. Capitalized terms used in this Supplemental Indenture and not otherwise defined herein have the meanings given to them in the Indenture. Sections 1.01 and 1.02 of the Indenture are hereby amended to delete in their entirety all terms and their respective definitions for which all references are eliminated in the Indenture as a result of the amendments set forth in Section 2.1 below.

Section 2.Amendments.

2.1 Amendment of Certain Sections of the Indenture. The Indenture is hereby amended by deleting the following sections of the Indenture and all references thereto in the Indenture in their entirety:

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(b)Section 4.05 Taxes.

(c)Section 4.06 Stay, Extension and Usury Laws.

(d)Section 4.07 Restricted Payments.

(e)Section 4.08 Investments.

(f)Section 4.09 Dividend and Other Payment Restrictions Affecting Subsidiaries

(g)Section 4.10 Incurrence of Indebtedness and Issuance of Preferred Stock.

(h)Section 4.11 Limitation on Asset Sales.

(i)Section 4.12 Sale and Leaseback Transactions.

(j)Section 4.13 Transactions with Affiliates.

(k)Section 4.14 Liens.

(l)Section 4.15 Existence.

(m)Section 4.16 Repurchase at the Option of Holders upon a Change of Control.

(n)Section 4.17 Note Guarantees; Security.

(o)Section 4.18 Payments for Consent.

(p)Section 4.19 Suspension of Covenants.

(q)clause (D) of Section 5.01 Merger, Consolidation, or Sale of Assets.

(r)Section 6.01 (3), (4), (5), (6), (7), (8), (9) and (10) Events of Default.

Section 3.Miscellaneous.

3.1 Effect of Supplemental Indenture. Upon the execution and delivery of this Supplemental Indenture by the Company and the Trustee, the Indenture shall be supplemented in accordance herewith, and this Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder holding Notes that have been heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby; provided, however, that Sections 1 and 2.1 hereof shall not become operative unless and until the date (the "Operative Date") set forth in a notice from the Company to the Trustee, stating that all the Notes that were validly tendered and not withdrawn at or prior to the Early Tender/Consent Date (as defined in the Offer to Purchase) were purchased on the Early Payment Date (as defined in the Offer to Purchase). In connection with the execution and delivery of the Supplemental Indenture, the Company shall provide notice to the Holders pursuant to Section 9.02 of the Indenture. Notwithstanding anything to the contrary herein, this Supplemental Indenture shall only supplement the Indenture with respect to the Notes.

3.2 Indenture Remains in Full Force and Effect. Except as supplemented hereby, all provisions of the Indenture shall remain in full force and effect.

3.3 Indenture and Supplemental Indenture Construed Together. This Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture, and the Indenture and this Supplemental Indenture shall henceforth be read and construed together.

3.4 Confirmation and Preservation of the Indenture. The Indenture as supplemented by this Supplemental Indenture is in all respects confirmed and preserved.

3.5 Conflict with Trust Indenture Act. If any provision of this Supplemental Indenture limits, qualifies, or conflicts with any provision of the Trust Indenture Act of 1939, as amended (the "Act"), that is required under such Act to be part of and govern any provision of this Supplemental Indenture, the provision of such Act shall control. If any provision of this Supplemental Indenture modifies or excludes any provision of the Act that may be so modified or excluded, the provisions of the Act shall be deemed to apply to the Indenture as so modified or to be excluded by this Supplemental Indenture, as the case may be.

3.6 Trustee Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Company and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or adequacy of this Supplemental Indenture.

3.7 Certain Duties and Responsibilities of the Trustee. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, whether or not elsewhere herein so provided, including specifically the Trustee's rights to indemnification contained in Section 7.07 of the Indenture.

3.8 Separability Clause. In case any provision of this Supplemental Indenture shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

3.9 Effect of Headings. The Section and Subsection headings herein are for convenience only and shall not affect the construction hereof.

3.10 Benefits of Supplemental Indenture. Nothing in this Supplemental Indenture, the Indenture, or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder, and the Holders, any benefit of any legal or equitable right, remedy, or claim under the Indenture, this Supplemental Indenture, or the Notes.

3.11 Successors and Assigns. All covenants and agreements in this Supplemental Indenture by the Company shall bind its successors and permitted assigns, whether so expressed or not.

3.12 Governing Law. THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO THE APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

3.13 Counterparts. This Supplemental Indenture may be executed in counterparts (including by means of facsimile signature pages), each of which shall be an original, but all such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date and the year first written above.

CHARTER COMMUNICATIONS OPERATING, LLC, as an Issuer

By: /s/ Matt L. Derdeyn
Name: Matt L. Derdeyn
Title: Senior Vice President − Finance and Planning

CHARTER COMMUNICATIONS OPERATING CAPITAL CORP., as an Issuer

By: /s/ Matt L. Derdeyn
Name: Matt L. Derdeyn
Title: Senior Vice President − Finance and Planning

WILMINGTON TRUST COMPANY, as Trustee

By: /s/ Geoffrey J. Lewis
Name: Geoffrey J. Lewis
Title: Assistant Vice President

Exhibit 12.1

CHARTER COMMUNICATIONS, INC AND SUBSIDIARIES
RATIO OF EARNINGS TO FIXED CHARGES CALCULATION
(In millions)

	Predecessor		Predecessor	Successor		Successor	
	Year Ended December 31,		January 1 through November 30,	December 1 through December 31,	Combined	Year Ended December 31,	
	2007	2008	2009	2009	2009	2010	2011
Earnings							
Income (Loss) before Noncontrolling Interest and Income Taxes	$ (1,318)	$ (2,550)	$ 9,748	$ 10	$ 9,758	$ 58	$ (70)
Fixed Charges	1,868	1,912	1,315	69	1,384	885	970
Total Earnings	$ 550	$ (638)	$ 11,063	$ 79	$ 11,142	$ 943	$ 900
Fixed Charges							
Interest Expense	$ 1,831	$ 1,872	$ 999	$ 68	$ 1,067	$ 853	$ 926
Interest Expense Included Within Reorganization Items, Net	—	—	289	—	289	—	—
Amortization of Debt Costs	30	33	21	—	21	24	37
Interest Element of Rentals	7	7	6	1	7	8	7
Total Fixed Charges	$ 1,868	$ 1,912	$ 1,315	$ 69	$ 1,384	$ 885	$ 970
Ratio of Earnings to Fixed Charges (1)	—	—	8.41	1.14	8.05	1.07	—

(1) Earnings for the years ended December 31, 2007, 2008, and 2011 were insufficient to cover fixed charges by $1.3 billion, $2.6 billion, and $70 million, respectively. As a result of such deficiencies, the ratios are not presented above.

Exhibit 21.1

Entity Jurisdiction and Type

Entity Name	Jurisdiction and Type
American Cable Entertainment Company, LLC	a Delaware limited liability company
Athens Cablevision, Inc.	a Delaware corporation
Ausable Cable TV, Inc.	a New York corporation
Cable Equities Colorado, LLC	a Delaware limited liability company
Cable Equities of Colorado Management Corp.	a Colorado corporation
CC 10, LLC	a Delaware limited liability company
CC Fiberlink, LLC	a Delaware limited liability company
CC Michigan, LLC	a Delaware limited liability company
CC Systems, LLC	a Delaware limited liability company
CC V Holdings, LLC	a Delaware limited liability company
CC VI Fiberlink, LLC	a Delaware limited liability company
CC VI Operating Company, LLC	a Delaware limited liability company
CC VII Fiberlink, LLC	a Delaware limited liability company
CC VIII Fiberlink, LLC	a Delaware limited liability company
CC VIII Holdings, LLC	a Delaware limited liability company
CC VIII Leasing of Wisconsin, LLC	a Wisconsin limited liability company
CC VIII Operating, LLC	a Delaware limited liability company
CC VIII, LLC	a Delaware limited liability company
CCH I, LLC	a Delaware limited liability company
CCH I Holdings, LLC	a Delaware limited liability company
CCH II, LLC	a Delaware limited liability company
CCH II Capital Corp.	a Delaware corporation
CCHC, LLC	a Delaware limited liability company
CCI Exchange I, Inc.	a Delaware corporation
Charter Investment, Inc.	a Delaware corporation
CCO Fiberlink, LLC	a Delaware limited liability company
CCO Holdings, LLC	a Delaware limited liability company
CCO Holdings Capital Corp.	a Delaware corporation
CCO NR Holdings, LLC	a Delaware limited liability company
CCO Purchasing, LLC	a Delaware limited liability company
CCO SoCal I, LLC	a Delaware limited liability company
CCO SoCal II, LLC	a Delaware limited liability company
CCO SoCal Vehicles, LLC	a Delaware limited liability company
Charter Advertising of Saint Louis, LLC	a Delaware limited liability company
Charter Cable Leasing of Wisconsin, LLC	a Wisconsin limited liability company
Charter Cable Operating Company, L.L.C.	a Delaware limited liability company
Charter Cable Partners, L.L.C.	a Delaware limited liability company
Charter Communications Entertainment I, LLC	a Delaware limited liability company
Charter Communications Entertainment II, LLC	a Delaware limited liability company
Charter Communications Entertainment, LLC	a Delaware limited liability company
Charter Communications Holding Company, LLC	a Delaware limited liability company
Charter Communications Holdings LLC	a Delaware limited liability company
Charter Communications Operating, LLC	a Delaware limited liability company
Charter Communications Operating Capital Corp.	a Delaware corporation

Charter Communications Properties LLC	a Delaware limited liability company
Charter Communications V, LLC	a Delaware limited liability company
Charter Communications Ventures, LLC	a Delaware limited liability company
Charter Communications VI, LLC	a Delaware limited liability company
Charter Communications VII, LLC	a Delaware limited liability company
Charter Communications, LLC	a Delaware limited liability company
Charter Distribution, LLC	a Delaware limited liability company
Charter Fiberlink − Alabama, LLC	a Delaware limited liability company
Charter Fiberlink AR−CCVII, LLC	a Delaware limited liability company
Charter Fiberlink CA−CCO, LLC	a Delaware limited liability company
Charter Fiberlink CC VIII, LLC	a Delaware limited liability company
Charter Fiberlink CCO, LLC	a Delaware limited liability company
Charter Fiberlink CT−CCO, LLC	a Delaware limited liability company
Charter Fiberlink − Georgia, LLC	a Delaware limited liability company
Charter Fiberlink − Illinois, LLC	a Delaware limited liability company
Charter Fiberlink LA−CCO, LLC	a Delaware limited liability company
Charter Fiberlink MA−CCO, LLC	a Delaware limited liability company
Charter Fiberlink − Michigan, LLC	a Delaware limited liability company
Charter Fiberlink − Missouri, LLC	a Delaware limited liability company
Charter Fiberlink MS−CCVI, LLC	a Delaware limited liability company
Charter Fiberlink NC−CCO, LLC	a Delaware limited liability company
Charter Fiberlink − Nebraska, LLC	a Delaware limited liability company
Charter Fiberlink NH−CCO, LLC	a Delaware limited liability company
Charter Fiberlink NV−CCVII, LLC	a Delaware limited liability company
Charter Fiberlink NY−CCO, LLC	a Delaware limited liability company
Charter Fiberlink OH−CCO, LLC	a Delaware limited liability company
Charter Fiberlink OR−CCVII, LLC	a Delaware limited liability company
Charter Fiberlink SC−CCO, LLC	A Delaware limited liability company
Charter Fiberlink − Tennessee, LLC	A Delaware limited liability company
Charter Fiberlink TX−CCO, LLC	A Delaware limited liability company
Charter Fiberlink VA−CCO, LLC	A Delaware limited liability company
Charter Fiberlink VT−CCO, LLC	A Delaware limited liability company
Charter Fiberlink WA−CCVII, LLC	A Delaware limited liability company
Charter Gateway, LLC	a Delaware limited liability company
Charter Helicon, LLC	A Delaware limited liability company
Charter RMG, LLC	A Delaware limited liability company
Charter Stores FCN, LLC	A Delaware limited liability company
Charter Video Electronics, Inc.	A Minnesota corporation
Dalton Cablevision, Inc.	A Delaware corporation
Falcon Cable Communications, LLC	A Delaware limited liability company
Falcon Cable Media, a California Limited Partnership	A California limited partnership
Falcon Cable Systems Company II, L.P.	a California limited partnership
Falcon Cablevision, a California Limited Partnership	a California limited partnership
Falcon Community Cable, L.P.	a Delaware limited partnership
Falcon Community Ventures I, LP	a California limited partnership
Falcon First Cable of New York, Inc.	a Delaware corporation
Falcon First Cable of the Southeast, Inc.	a Delaware corporation
Falcon First, Inc.	a Delaware corporation
Falcon Telecable, a California Limited Partnership	a California limited partnership
Falcon Video Communications, L.P.	a Delaware limited partnership

Helicon Group, L.P., The	a Delaware limited partnership
Helicon Partners I, L.P.	a Delaware limited partnership
Hometown TV, Inc.	a New York corporation
HPI Acquisition Co., L.L.C.	a Delaware limited liability company
Interlink Communications Partners, LLC	a Delaware limited liability company
Long Beach, LLC	a Delaware limited liability company
Marcus Cable Associates, L.L.C.	a Delaware limited liability company
Marcus Cable of Alabama, L.L.C.	a Delaware limited liability company
Marcus Cable, Inc.	a Delaware limited liability company
Midwest Cable Communications, Inc.	a Minnesota corporation
Peachtree Cable TV, L.P.	a Georgia limited partnership
Peachtree Cable T.V., LLC	a Delaware limited liability company
Plattsburgh Cablevision, Inc.	a Delaware corporation
Renaissance Media LLC	A Delaware limited liability company
Rifkin Acquisition Partners, LLC	A Delaware limited liability company
Robin Media Group, Inc.	A Nevada corporation
Scottsboro TV Cable, Inc.	an Alabama corporation
Tennessee, LLC	A Delaware limited liability company
Tioga Cable Company, Inc.	A Pennsylvania corporation
Vista Broadband Communications, LLC	A Delaware limited liability company
Adcast North Carolina Cable Advertising, LLC	Joint Venture − Class B Member
Charlotte Cable Advertising Interconnect, LLC	Joint Venture − Class B Member
Pacific Microwave	Joint Venture
SFC Transmission	Joint Venture
TWC W. Ohio − Charter Cable Advertising, LLC	Joint Venture − Class B Member
TWC/Charter Los Angeles Cable Advertising, LLC	Joint Venture − Class A Member
TWC/Charter Green Bay Cable Advertising, LLC	Joint Venture − Class B Member
TWC/Charter Dallas Cable Advertising, LLC	Joint Venture − Class B Member

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Charter Communications, Inc.:

We consent to the incorporation by reference in the registration statements Nos. 333−163357 and 333−170475 on Form S−8 and Nos. 333−170530, 333−170523, and 333−171526 on Form S−3 of Charter Communications, Inc. and subsidiaries (the Company) of our report dated February 24, 2012, with respect to the consolidated balance sheets of the Company as of December 31, 2011 and 2010 (Successor), and the related consolidated statements of operations, changes in shareholders' equity (deficit), and cash flows for the years ended December 31, 2011 and 2010 (Successor), the one month ended December 31, 2009 (Successor), and the eleven months ended November 30, 2009 (Predecessor), and the effectiveness of internal control over financial reporting as of December 31, 2011, which report appears in the December 31, 2011 annual report on Form 10−K of the Company.

Our report dated February 24, 2012 includes an explanatory paragraph that refers to the Company's adoption of fresh−start accounting in conformity with AICPA Statement of Position 90−7, Financial Reporting by Entities in Reorganization Under the Bankruptcy Code (included in FASB ASC Topic 852, Reorganizations), effective as of November 30, 2009. Accordingly, the Company's consolidated financial statements prior to November 30, 2009 are not comparable to its consolidated financial statements for periods after November 30, 2009.

/s/ KPMG

St. Louis, Missouri
February 24, 2012

Exhibit 31.1

I, Thomas M. Rutledge, certify that:

1. I have reviewed this Annual Report on Form 10−K of Charter Communications, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 22, 2012
/s/ Thomas M. Rutledge
Thomas M. Rutledge
President and Chief Executive Officer

Exhibit 31.2

I, Christopher L. Winfrey, certify that:

1. I have reviewed this Annual Report on Form 10−K of Charter Communications, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2012
/s/ Christopher L. Winfrey
Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Thomas M. Rutledge, the President and Chief Executive Officer of Charter Communications, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, hereby certify that, the Company's Annual Report on Form 10−K for the year ended December 31, 2011 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas M. Rutledge
Thomas M. Rutledge
President and Chief Executive Officer
February 22, 2012

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL
OFFICER REGARDING PERIODIC REPORT CONTAINING
FINANCIAL STATEMENTS

I, Christopher L. Winfrey, the Chief Financial Officer of Charter Communications, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, hereby certify that, the Company's Annual Report on Form 10−K for the year ended December 31, 2011 (the "Report") filed with the Securities and Exchange Commission:

- fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher L. Winfrey
Christopher L. Winfrey
Chief Financial Officer
(Principal Financial Officer)
February 24, 2012